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Vision Document for Tourism Sector of Khyber Pakhtunkhwa

February, 2011

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Abstract:

This report presents a long-term vision for the tourism sector of Khyber Pakhtunkhwa. The document presents an analysis that highlights the sector's potential to contribute to the economic development of the province. This diagnostic analysis identifies the strengths and weaknesses of the sector in the context of international competitiveness. A profile of Khyber Pakhtunkhwa Tourism identifies the major tourist attractions of the province. The report proposes a Vision and Mission Statements for the tourism sector, which is then followed by a set of recommendations and action plans to realize the untapped potential of this sector.

Acronyms

ADP	Annual Development Plan
AFP	Adventure Foundation Pakistan
CAA	Civil Aviation Authority
CM	Chief Minister
CSO	Civil Society Organization
DTS	Department of Tourist Services
EIA	Environmental Impact Assessment
EPA	Environmental Protection Agency
FDI	Foreign Direct Investment
FR	Frontier Region
GB	Gilgit Baltistan
GNP	Gross National Product
HACCP	Hazard Analysis and Critical Control Points
HIV	Human Immunodeficiency Virus
IEE	Initial Environment Evaluation
IMS	Institute of Management Sciences
IPCT	Investment Promotion Committee for Tourism
IPDF	Infrastructure Project Development Facility
KP	Khyber Pakhtunkhwa
KPCCI	Khyber Pakhtunkhwa Chamber of Commerce and Industry
P&D	Planning and Development
PAITHOM	Pakistan Austrian Institute of Tourism and Hotel Management
PIA	Pakistan International Airlines
PPP	Public Private Partnership
PR	Pakistan Railways
PTDC	Pakistan Tourism Development Corporation
R&D	Research and Development
SBP	State Bank of Pakistan
SHYDO	Sarhad Hydel Development Organization
STFP	Sustainable Tourism Foundation Pakistan
TCKP	Tourism Corporation of Khyber Pakhtunkhwa
TAC	Tourism Advisory Committee
TIC	Tourist Information Center
TTCI	Travel & Tourism Competitiveness Index
UNWTO	United Nations World Tourism Organization
USAID	United States Agency for International Development
VFR	Visit to Friends and Relatives

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Executive Summary

The Vision Document for the Tourism Sector of Khyber Pakhtunkhwa (KP) has been developed with an approach of understanding the current situation of the sector and proposing a strategy for enabling the sector play its pivotal role in the economic growth and prosperity of the province. The study has been carried out by USAID, in partnership with the Khyber Pakhtunkhwa Chamber of Commerce and Industry (KPCCI), and was completed in February, 2011, when the devolution of tourism to the provinces was not yet fully effective. However, the present version of the report is updated to reflect the changes that have occurred in the post-devolution scenario.

Travel and Tourism is a leading business sector in today's world. Tourism is an important sector for job creation, and includes multiple industries, such as transportation, hotels, restaurants, tourist shops, travel guides, tour operators, etc. Pakistan possesses diverse tourist attractions, and about three-fourth of the country's tourism assets are situated in Khyber Pakhtunkhwa. However, this potential has never been fully explored and realized. The present report endeavors to identify the issues hindering sector growth and proposes a workable strategy for tapping into the potential of the province.

The total number of foreign tourists visiting Pakistan in 2009 was 0.855 million. 56% of these tourists came to visit their friends and relatives, whereas only 14.7% came for recreational purposes. Compared to Pakistan, Turkey and Malaysia respectively attracted 22 million and 21 million foreign tourists in 2007, and India attracted 5 million tourists during the same period. Internationally, Pakistan is ranked very low on the Travel and Tourism Competitiveness Index—the ranking in 2009 was 113th out of 133 countries. Total number of domestic tourists in Pakistan during 2009 was 46.07 million. About half of these tourists travelled for social calls, and only 14% travelled for recreational purposes. The share of Khyber Pakhtunkhwa (KP) in domestic tourism was calculated to be about 19%, which means that 8.8 million domestic tourists visited KP in 2009. The share of the province in foreign tourism during the same period was 5.6%, which translates into a total number of 47,900 foreign tourists. Total profit from foreign tourism during 2008 to 2009 was PKR 17.39 billion. Of this total, the share of Khyber Pakhtunkhwa in the profit was PKR 974 million.

Tourism has a huge impact on the local economy of Khyber Pakhtunkhwa. Using careful assumptions, the total economic impact of tourism for KP was calculated to be PKR 12.26 billion (USD 141 million). The KP tourism sector is blessed with a rich cultural heritage, centuries-old civilizations, beautiful natural resources, scenic locations, sites for adventure and winter tourism, all of which are complemented by international price competitiveness. However, currently the sector is plagued with many weaknesses, such as the government's low priority regarding tourism, weak infrastructure, substandard tourist facilitation services, lack of standardized services, difficulty in visa issuance, damages from conflict and floods, negative country image, lack of proper marketing and lack of professionally-trained human resources. The uncertain security situation in KP and weak institutional arrangements for tourism management pose additional problems to the tourism in the area.

Tourism infrastructure in KP is not up to the required standards in many cases, and has worsened due to conflict and floods. There is lack of proper access to roads that lead to many tourist towns and locations. The inconsistent supply of electricity also discourage tourists. Road and air transport is often not available, reliable, or of high quality. Lack of proper town planning in important tourist towns of KP is leading to uncontrolled construction activities, sewage and solid waste management issues and damage to the natural environment. In addition, tourism in KP lacks an integrated approach for human resources development. The flow of commercial funds to tourism has been low priority for the financial institutions.

In order to effectively tap the potential of tourism in KP, it is important to adopt a long-term approach, and plan and implement focused interventions. This report has captured the long-term approach in the form of a Vision Statement, which aims to develop an internationally competitive tourism sector which can act as the engine of economic growth for Khyber Pakhtunkhwa. Key pillars for achieving this goal are highlighted in the Mission Statement as institutional & regulatory reforms, infrastructure development, service quality assurance, human resources development, aggressive marketing, investment promotion and environmental conservation. The first step towards achieving the objectives outlined in the Tourism Vision is declaring tourism the top priority of the government. Efforts should be strengthened in coordination with the security forces to improve the security situation in tourist areas. The government should not act as a business manager, but only as facilitator and regulator. Commercial ventures operating in the government sector should be given to the private sector for more efficient management. Projects based on public-private partnerships should be promoted, for which a PPP framework for KP should first be developed. With the devolution of tourism to provinces, the Tourism Corporation of Khyber Pakhtunkhwa (TCKP) needs to be strengthened.

The restructured TCKP should have expertise available in the functions of marketing, tourist facilitation, research, regulations, archeology, culture, IT and investor facilitation. For dealing with tourism issues at the federal level, it is recommended that the Pakistan Tourism Development Corporation (PTDC) be restructured into the Pakistan Tourism Development Board, with a focused responsibility of marketing Pakistani tourism. Other important institutional and regulatory recommendations include facilitating the issuance of Pakistani visas and implementing environmental laws.

It is also recommended to improve and strengthen the implementation of standards and certifications for hotels, restaurants and other service providers. The quality of tourism infrastructure should also be improved. Access roads to tourist towns and sites should be reconstructed, especially the road from Mingora to Kalam. The electricity supply should be improved by declaring Swat to be a load shedding-free town and engaging the private sector to develop small hydel units at important tourist sites. Transportation facilities to tourist towns should be improved by facilitating large transport companies to start their services. New tourist sites should be developed based on the PPP model. Some important tourist attractions include the Malam Jabba Ski Resort and Khyber Steam Safari. Cultural Tourism Centers should be established in big cities like Peshawar. Developing new hills stations at places like Cherat and Suana, and creating facilities for ecotourism and adventure tourism should be undertaken as priority. Establishing children's parks at attractive locations in Swat and Kalam and developing a world-class amusement park in Galliat are attractive options. The services in the existing

museums should be improved and arrangements should be made to display stored artifacts in the Peshawar museum. An important recommendation is to initiate projects for developing the archives of tourism assets, such as gathering the available literature, culture, traditions, arts and crafts of the Khyber Pakhtunkhwa.

The KP tourism marketing strategy should focus on domestic tourists as its first target. Major attractions for domestic tourists will be opportunities for leisure tourism and ecotourism, local cuisines, shopping opportunities, religious events, fairs, festivals and adventure tourism. For international tourists, Buddhist and scenic/adventure tourism should be targeted with adequate marketing plans. In marketing Pakistani Tourism to foreign tourists, a soft and friendly image of Pakistan should be promoted. For sustainable tourism development, a brand of Pakistani and Khyber Pakhtunkhwa tourism should be developed.

The tourism sector of KP has a rich tourist inventory. Its potential has not been fully explored in the past. A sound diagnostic analysis, developing a comprehensive vision, outlining the way forward and executing the recommendations are all essential elements to successfully exploring the potential of the tourism sector. This report fulfills the need for this analysis and offers a comprehensive way forward for the growth of KP tourism.

Major Institutional/Regulatory Recommendations

- Elevate tourism to a high-priority economic growth sector in the provincial government
- Establish a policy think-tank on tourism for broad-based intellectual input on policy and promotion of tourism
- Facilitate improvement of the security environment in Swat and other tourist places
- Transfer the control of tourism-related commercial ventures to the private sector
- Provide a sustainable framework for Public Private Partnership (PPP) in KP
- Strengthen the Tourism Corporation of Khyber Pakhtunkhwa as a provincial regulator and facilitator
- Restructure PTDC as the Pakistan Tourism Development Board for national branding and international promotion
- Facilitate the prompt issuance of Pakistani visas to aspiring visitors abroad
- Ensure environmental conservation of tourism assets

Standards & Certifications

- Upgrade the outdated and obsolete laws governing the tourism sector
- Entrust the enforcement of standards and certifications to TCKP
- Enforce standards and certifications for hotels, tourist guides, transporters and tour operators

Marketing & Promotion

- Focus on domestic tourists during the first phase of strategy as a thrust area to revive the tourism sector
- Focus on Buddhist & adventure tourism in the international tourist segment to revitalize marketing and the flow of tourists with new vigor
- Plan and execute the marketing the brand of Pakistan and the brand of KP with target tourist segments as part of a master plan

- Develop interesting and multilingual tourism information and promotion materials and ensure the wide distribution and regular update of such materials
- Develop a KP tourism portal by using TCKP as an interactive tool for promotion and connectivity
- Promote and develop public/private partnerships for tourism marketing
- Launch a mass media campaign to promote tourism in domestic and international markets
- Involve PIA and Pakistan Railways for an integrated role in tourism promotion
- Organize cultural and sports events for tourism promotion
- Mobilize community to strengthen a tourist-friendly environment
- Enhance participation in international tourism fairs and events

Tourism Infrastructure

- Improve and build access roads to tourist towns and tourist attractions
- Improve electricity supply in tourist areas
- Improve transportation facilities in tourist areas
- Make the Saidu Sharif Airport operational
- Provide and improve support for the rehabilitation of tourist infrastructure
- Develop new tourist sites and attractions
- Strengthen museum institutions for tourism promotion in KP
- Develop archives of tourism assets
- Improve tourist facilitation services

Human Resources Development

- Undertake a holistic view and develop baseline data for human resources development needs in the sector
- Strengthen and upgrade the curriculum and facilities of existing tourism training institutes

Access to Finance

- Improve the availability of commercial lending through a participatory approach by SBP and commercial banks
- Ensure tourism-specific prudential regulations and competitive costs of financing
- Facilitate existing and new investment through guidance and regulatory support
- Mobilize the donor community to participate in tourism development projects in the province

1. Introduction

Travel and tourism¹ is a diverse sector, which has become a leading industry around the world in the past few decades. Associated with multiple subsectors like transportation, hotels, restaurants, tourist shops, travel guides, tour operators, etc., the sector has a very significant role to play in enhancing economic activity and creating employment opportunities in tourist areas. Travel and tourism also acts as a bridge for bringing people from different cultures and traditions together, and thus serves as a powerful vehicle for increasing global harmony and peace.

The **Vision Document for Tourism Sector of Khyber Pakhtunkhwa (KP)** has been developed with the approach of understanding the current situation of the sector and proposing a focused strategy for enabling the sector play a pivotal role in the economic growth and prosperity of the province.

The study has been carried out by USAID, in partnership with the Khyber Pakhtunkhwa Chamber of Commerce and Industry (KPCCI), and was completed in February 2011, when the devolution of tourism to provinces was not yet fully effective. However, the present version of the report has been updated to reflect the changes occurred in the post-devolution scenario.

1.1 Tourism in Khyber Pakhtunkhwa

Pakistan is one of those few countries in the world blessed with a diverse inventory of tourist attractions. The country is home to one of the oldest civilizations in the world, beautiful scenic locations, splendid mountains and peaks, sacred religious and historic places, seasonal variety, unique arts and crafts, and a rich culture and heritage. These tourist attractions are spread across all four provinces of the country. However, KP enjoys the most unique and diverse attractions. The province possesses three-fourth of the country's tourist assets, with sites that contain archeological, cultural, historical and religious significance and attractive natural and scenic beauty.

The province has beautiful mountains, valleys, forests, rivers, etc. KP is at the confluence of the world's three highest mountain ranges, the Himalayas, the Karakoram and the Hindu-Kush. These locations attract domestic and international tourists interested in scenic beauty. The province has a long history and is home to one of the oldest civilizations in the world, and Peshawar is considered to be one of the oldest living cities in the world. The province also has very rich culture and traditions, which attracts thousands of tourists every year. KP is an attractive destination for people interested in adventurous activities such as mountaineering, trekking, skiing, hunting, boating, paragliding, etc.

¹ Tourism is defined as travel for leisure, recreational or business purposes. The World Tourism Organization defines tourists as people who travel to and stay in places outside their usual environment for more than twenty-four (24) hours and not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited.

(The World Tourism Organization (UNWTO) is a specialized agency of the United Nations and the leading international organization in the field of tourism: serving as a global forum for tourism policy issues and a practical source of tourism know-how)

Despite being blessed with a full range of tourist attractions, the KP province has not been fully successful in taking advantage of this potential. Shifting focus to this high-potential sector and adopting an integrated approach to use tourism as an engine of economic growth in KP is a pressing need for Pakistan today.

1.2 Pakistan's Tourism in Reference to Khyber Pakhtunkhwa Tourism

Tourists are broadly classified as domestic or international. Tourists traveling within the same country are domestic tourists, while the ones traveling to other countries are foreign tourists.

1.2.1 Domestic Tourism

In any developing country, domestic tourism is a more pronounced activity compared to international tourism. In Pakistan, the total number of domestic tourists during the year 2009 was 46.07 million.² About half of these tourists were people who traveled to meet social obligations (friends, relatives, etc.). About 14% travelled for recreational purposes. Other notable categories were people who travelled for business, health or religious reasons.

1.2.1.1 Domestic Tourism in Khyber Pakhtunkhwa

Khyber Pakhtunkhwa has a very special significance with respect to domestic tourism. The most common motive of domestic tourists in Pakistan is to spend their leisure time with their families or friends at some scenic location and enjoy the local weather. For such tourists, destinations in KP are a natural choice. In Punjab, Murree is the only important hill station which attracts good tourist traffic; whereas in KP, there are a whole range of destinations which attract leisure tourists from all over Pakistan. Places like Swat, Kaghan, Chitral and Galliat have always been favorite destinations for domestic tourists coming from all over Pakistan. In addition to these leisure tourists, there are segments of the local population who are interested in attractions related to history, culture, adventure, shopping, local cuisines, fairs and festivals, etc. Khyber Pakhtunkhwa is blessed with sites and attractions that cater to the diverse interests of all such domestic tourists.

Khyber Pakhtunkhwa claims a respectable share in total national domestic tourist traffic. However, there is no official data to substantiate this fact. The estimated share of KP Province in the domestic tourism of Pakistan was calculated in order to gain an estimate. Using careful assumptions, it was calculated that during 2009, the total number of domestic tourists visiting Khyber Pakhtunkhwa was about 8.8 million, which accounted for about a 19% share of the total national domestic tourist traffic. A higher share of Khyber Pakhtunkhwa in domestic tourism

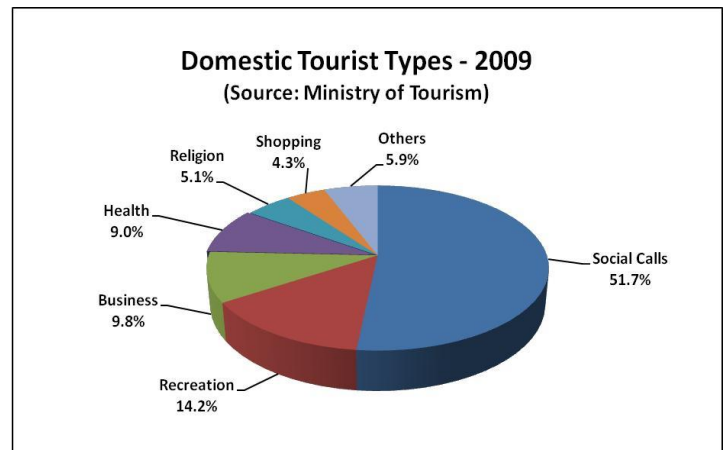


Figure 1 Domestic Tourist Types

² Figure based on Domestic Tourism Survey – 2000 by Ministry of Tourism

relative to its share in population is a clear indication of the competitive edge the province possesses over other provinces/regions of the country.

To arrive at this number, the assessment team made assumptions about the distribution of different types of domestic tourists across the provinces/regions. For example, for tourists traveling for social purposes, or for business and health, the distributions were calculated per population share of each province/region. For other tourist categories such as recreation, shares were assumed to depend on the importance of different provinces/regions with respect to that particular type of tourist. Detailed calculations are shown in Annex I.

1.2.2 Foreign Tourism

In 2009, on a global basis, there were 880 million foreign tourists, compared to a figure of 920 million during the previous year. The total number of foreign tourists coming to Pakistan in 2009 was 0.855 million, compared to a figure of 0.557 million in the year 2000. Pakistan's share of the global tourism market in 2009 was only 0.09%, far below its potential. In South Asia, Pakistan's share out of a total of 10 million foreign tourists was 8.7%, in comparison to India's share of 50%.

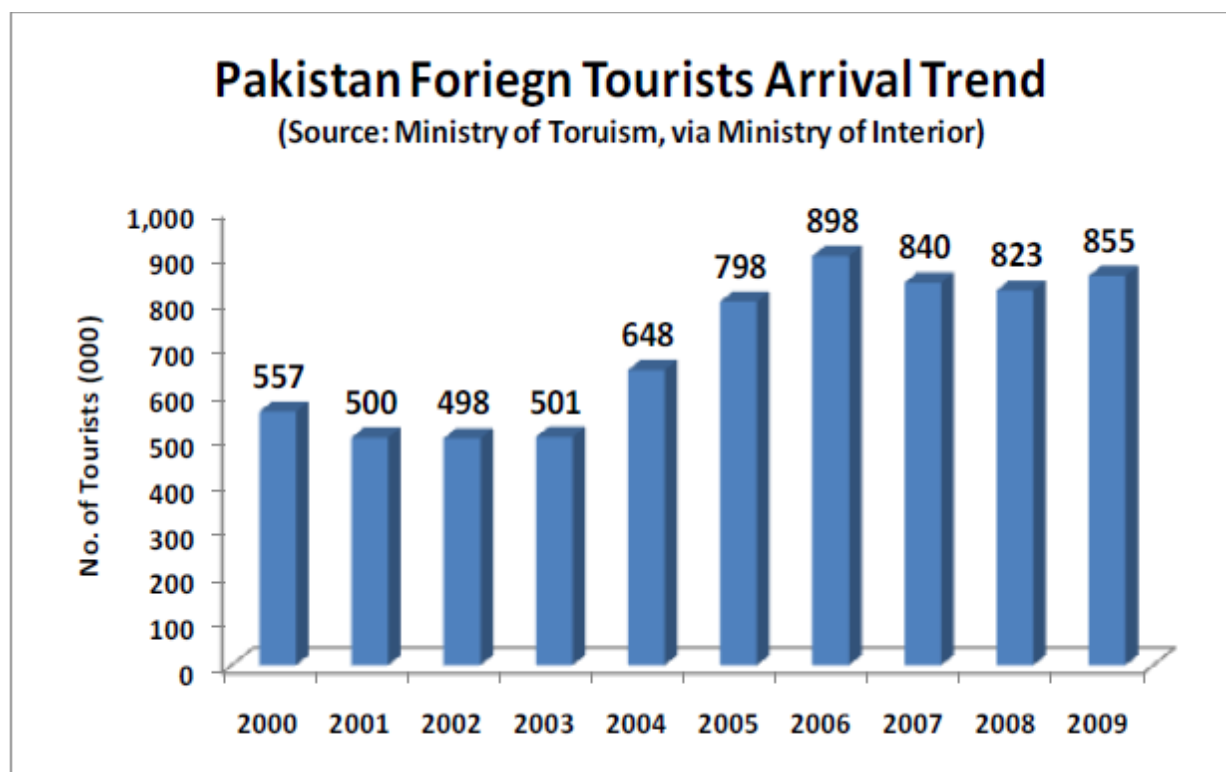


Figure 2 Pakistan Foreign Tourists Arrival Trend

The majority of foreign tourists come to Pakistan from Europe. In 2009, 44% of the total arrivals into Pakistan were from Europe, a major portion of which was comprised of overseas Pakistanis returning from the United Kingdom. South Asia was the second largest place of origin for international tourists coming to Pakistan, accounting for 21% of the total. Of these tourists, Sikhs coming from India to visit their holy places constitute a major portion. More than half of the

foreign tourists come to Pakistan to visit their friends and relatives (VFR). These travelers usually do not engage in the typical tourist activities. It is only 14.7% of the total visitors to Pakistan who come with a recreational motive to spend their vacations. This low portion of real tourists in the number of total arrivals is a clear indicator of the untapped potential of the tourism sector.

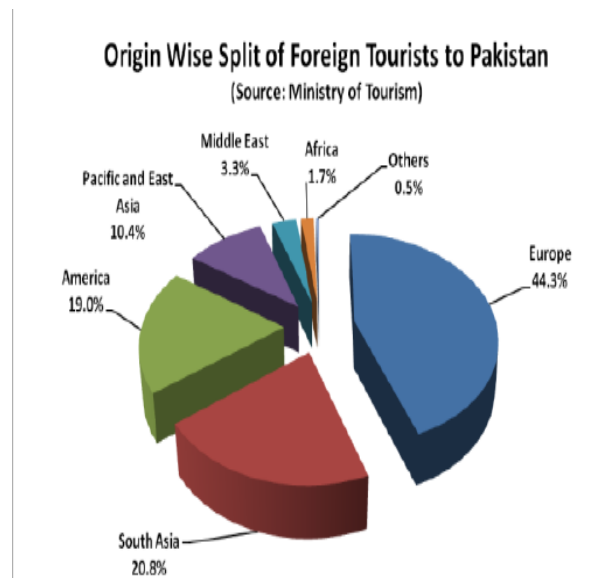


Figure 3 Origin Wise Split of Foreign Tourists to Pakistan

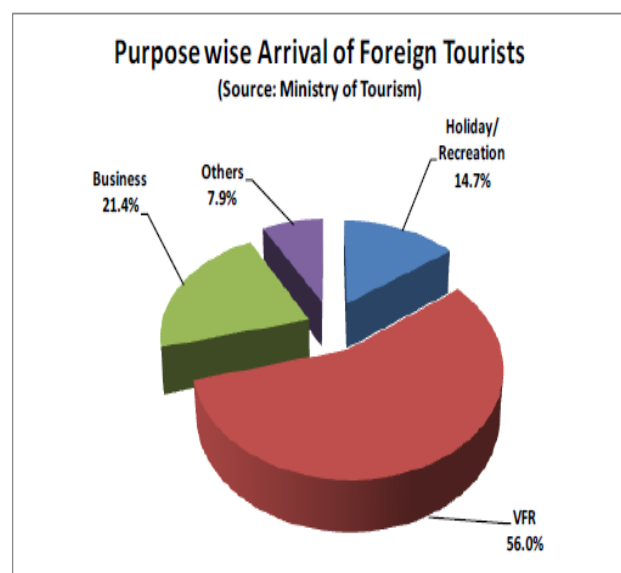


Figure 4 Purpose wise Arrival of Foreign Tourists

1.2.2.1 The Share of Khyber Pakhtunkhwa in Foreign Tourism

As per the statistics of the Ministry of Tourism, the total number of foreign tourists coming to Pakistan in 2009 were 0.855 million. The Arrivals of foreign tourists by province are shown in

the following table:

Table 1 Arrival of Tourists by Province

Province/Region	No. of Foreign Tourists (000)	Share
Balochistan	12.8	1.5%
Sindh	286.4	33.5%
Punjab	481.3	56.3%
Khyber Pakhtunkhwa	47.9	5.6%
Azad Jammu Kashmir	21.4	2.5%
Gilgit Baltistan	5.1	0.6%
Total	854.9	100.0%

The total number of foreign tourists arriving in Khyber Pakhtunkhwa in 2009 was 47,900, which translated into a 5.6% share of the national foreign tourist traffic. Looking at the present unsatisfactory security situation in the province, this figure looks to be quite reasonable and is an indicator that with improvement in security, with a focused approach, there is the potential to substantially increase the tourism activity in Khyber Pakhtunkhwa.

1.2.2.2 Foreign Tourism Receipts

The tourism sector of Pakistan, and that of KP in particular, has a high potential to contribute towards economic development of the country/province. During the year 2008-09, the total share of foreign tourism in the GNP was 0.3%, while its share in exports was 1.2%. A three-year comparison is shown in the following table:

Table 2 Three-Year Comparison of Revenue from Tourism

(Rs million)					
Year	GNP	Export	Tourism Receipts	Tourism Receipts as % of GNP	Tourism Receipts as % of Exports
2006-07	5,560,382	1,029,312	16,906	0.3%	1.6%
2007-08	5,673,352	1,196,638	16,486	0.3%	1.4%
2008-09	5,914,702	1,395,848	17,392	0.3%	1.2%
Source: State Bank of Pakistan					

The tourism sector acts as a generator of quick and broad-based economic activity. It is a major source of employment generation in the area. It is an important source of the government's income through taxes, collected mainly from the hotel sector. An increase in the number of tourists coming to a certain area leads to an increase in activity in multiple sectors, including hotels, restaurants, wholesale trade, retail trade, road transport, air transport, communications, as well as specific tourist sectors such as tourist guides, porters, etc. Economic activity is enhanced as the tourist spends money on various services such as hotel accommodations, meals, transport, shopping, etc.

1.2.2.3 Share of Khyber Pakhtunkhwa in Foreign Tourism Receipts

During the year 2008-09, total receipts from foreign Tourism was PKR 17.39 billion. Total tourist traffic to KP during this period was 47,900, accounting for a 5.6% share of the total

national foreign tourist traffic. Applying this factor to total foreign exchange receipts, the share of KP comes out to be PKR 974 million (USD 11.2 million). Keeping in perspective present uncertain security circumstances, the figure looks to be healthy.

1.2.3 Economic Impact of Tourism in Khyber Pakhtunkhwa

Khyber Pakhtunkhwa is blessed with diverse tourist attractions, and tourism offers great potential to contribute to the economic development of the province. Even in the present state of conflict and unrest in the region, the sector is contributing to support the troubled local economy. There is no official data available to show the economic impact of the tourism sector for Khyber Pakhtunkhwa. In order to have an idea about the role of tourism in the provincial economy, an estimate has been developed based on careful assumptions. The basis for this calculation has been derived from the report “*Five-Month Swat Tourism 2010 Strategy*”, which was prepared by the FIRMS Project as part of their plan to support the tourism sector in the region. The report has used an assumption-based approach for calculating revenue estimates from tourist activity in Swat Valley. The calculations were based on the number of hotel rooms and average spending by a tourist, including hotel accommodation, food & beverages, transport and other (shopping, etc.)

To come up with a figure to measure the economic impact of tourism in the whole of Khyber Pakhtunkhwa, the approach used for Swat has been applied to all major tourist areas of the province. Information on the number of hotels and rooms in each of the selected areas has been taken from “*Hotel and Restaurant Directory Pakistan 2008-09*”. Detailed calculations are shown in Annex II. The following table presents a summary of the economic impact of tourism in Khyber Pakhtunkhwa:

Table 3 Economic Impact of Tourism in KP

Tourist Area	No. of Hotels	No. of Rooms	Total Economic Impact (PKR million)	Total Economic Impact (USD Million)
Swat Valley	405	6,480	4,440	51.0
Kaghan Valley	80	1,058	696	8.0
Chitral/Dir Valleys	47	656	288	3.3
Galliat	54	607	549	6.3
Kohistan/Besham	40	567	746	8.6
Abbotabad	42	510	944	10.8
Mansehra	18	254	470	5.4
Peshawar	93	2,851	3,516	40.4
Total	779	12,983	11,648	134
<i>Note: No. of hotels and rooms for Swat Valley have been taken from the report of FIRMS Project. Numbers for other areas have been taken from Hotel & Restaurant Directory Pakistan 2008-09</i>				

1.3 Pakistan's Competitive Position in Tourism

One way of gauging the potential of tourism is by comparing the performance of Pakistan with that of other countries of the region.

1.3.1 Tourist Traffic of Pakistan in Comparison with Other Asian Countries

Tourism in Asian countries has grown at a high rate during the past decade. The following figure is a comparison of tourist traffic between Pakistan and five other Asian countries in the years 2003 and 2007.

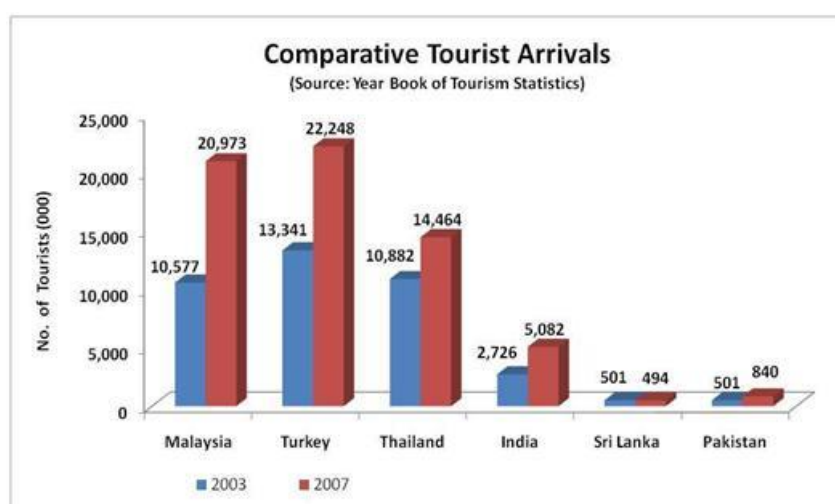


Figure 5 Comparative Tourist Arrivals

In 2003, Pakistan's tourist traffic was only 4% of the tourist traffic of Turkey and Malaysia, the two leading countries in Asia in terms of number of tourists. Pakistan's tourist traffic was one-fifth of India's in 2003, which then decreased to one-sixth in 2007.

1.3.2 Pakistan's Ranking on the Travel & Tourism Competitiveness Index

The international competitiveness of countries with respect to their performance in Travel and Tourism is measured in terms of the Travel and Tourism Competitiveness Index (TTCI), as obtained from The Travel and Tourism competitiveness Reports³.

KP is the richest in tourism assets amongst all the provinces of Pakistan, and possesses three-fourths of the country's potential tourist sites.⁴ This means that Pakistan's rating on TTCI with respect to tourism assets is highly relevant to KP, since most of the sites representing cultural heritage, historic and religious significance and natural scenic beauty are located in this province.

The present ranking of Pakistan on the TTCI is very low. The country's overall rankings for the past three years are listed in the following table:

Table 4 Ranking of Pakistan on Tourism by WEF

Pakistan's Ranking by World Economic Forum on Travel and Tourism Competitiveness Index	Rank
2009 Index (out of 133)	113
2008 Index (out of 130)	111

³ The Travel & Tourism Competitiveness Report 2009 is published by the World Economic Forum, Geneva, Switzerland within the framework of the Global Competitiveness Network and the Industry Partnership Program for Aviation, Travel and Tourism.

⁴ NWFP Economic Report; World Bank, December 2005

2007 Index (out of 124)

103

TTCI is based on 14 pillars which affect Travel & Tourism competitiveness in a country. These pillars are categorized under three main headings:

1. T&T regulatory framework
2. T&T business environment and infrastructure
3. T&T human, cultural and natural resources

Pakistan's rankings and scores on these fourteen pillars is shown in the following figure:

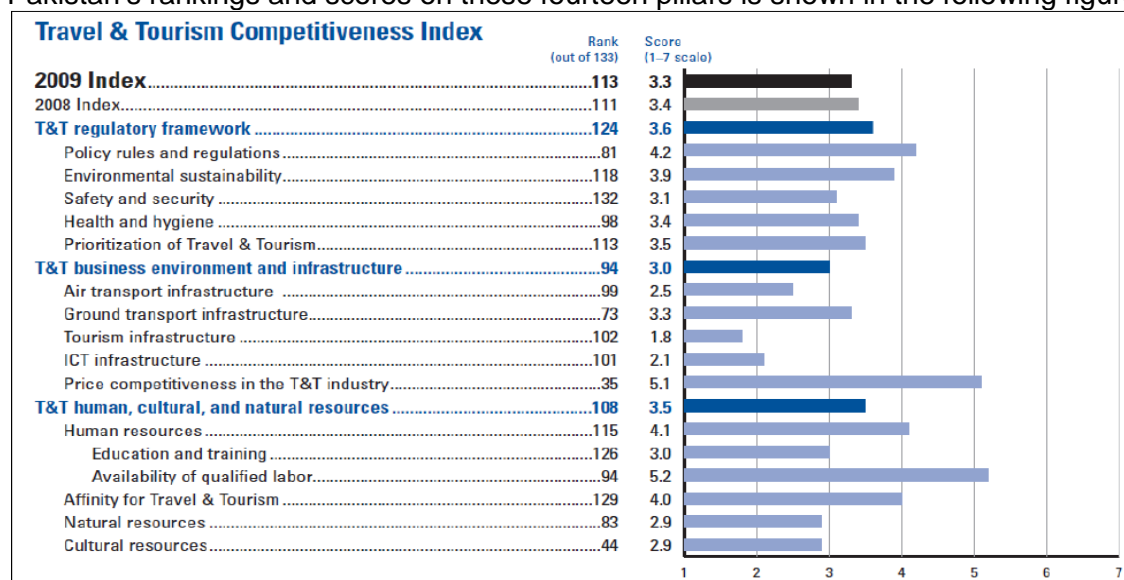


Figure 6 Travel & Tourism Competitiveness Index

Each of the 14 pillars of TTCI depends on various factors which can impact the competitiveness of Travel & Tourism. A total of 73 factors were used for developing TTCI. Pakistan's ranking on each of these factors is presented in Annex III. These rankings provide a quick analysis of the strengths, weaknesses, opportunities and threats to Travel & Tourism in a country.

The overall ranking of Pakistan is very low which means that the country's current performance is below average on most of the factors. Some more evident factors in this regard are visa requirements (124th), transparency of government policymaking (109th), enforcement of environmental regulations (103rd), business cost of terrorism (130th), reliability of police services (106th), and road traffic accidents (118th). Similarly, tourism is ranked very low as a government priority (114th) and T&T expenditure by government (101st).

However, there are upsides to this gloomy situation. Pakistan does enjoy an above-average ranking on some factors. The country is considered to be a friendly place for foreign investment, ranked 29th on impact of business rules on FDI. Seat availability in air transport is Pakistan's strength, ranked 29th in domestic and 48th in international available seating. Pakistan is considered to be one of the cheapest countries in the world for tourists, ranked 13th in purchasing power parity, 42nd in extent and effect of taxation and 36th in fuel price levels. In the hotel price index, it has an average ranking of 76th.

In terms of presence of tourist attractions, Pakistan is placed in the above average domain amidst other countries, ranked 42nd in total known species, 74th in the number of world heritage natural sites and 69th in protected areas. Pakistan's ranking is also high on number of world heritage cultural sites (33rd) and creative industries exports (27th). The majority of these tourism assets are located in Khyber Pakhtunkhwa.

Unfortunately, the present overall ranking of Pakistan is 113th, which shows a clear discrepancy between the rankings and the wealth of tourist attractions in the country. During the past six decades, the tourism managers of Pakistan have not been successful in effectively capitalizing on these strengths to make Pakistan a preferred tourist destination in the world.

1.4 Khyber Pakhtunkhwa Tourism Profile

Khyber Pakhtunkhwa is a unique province of Pakistan where all types of tourist attractions exist. These include tourism sites with natural, scenic beauty, sites with unique historical and/or religious significance, and sites for eco-tourism, winter tourism, shopping, cuisines, sports and festivals. No other province in Pakistan can claim to have such diversity of tourism assets. Some more popular tourist locations in KP are listed below:

1. Swat Valley
2. Kaghan Valley
3. Chitral Valley
4. Dir Valley
5. Abbotabad and Galliat
6. Peshawar and surroundings
7. Khyber Pass and surroundings
8. Kohistan region along KKH

A brief description of each of the above tourist destinations is provided in the following paragraphs.

1.4.1 Swat Valley

Swat Valley is the most popular tourist destination in Khyber Pakhtunkhwa, attracting a maximum number of tourists. The valley is located in the Malakand Division and is part of the Provincially Administered Tribal Areas (PATA) of KP. Swat is also known as the Switzerland of Pakistan with lush green valleys, majestic mountains, snow-clad peaks, beautiful streams, lakes and fruit orchards, all adding to its natural beauty. Along with its natural and scenic attractions, Swat valley also possesses a historical significance. It was formerly a destination for Alexander the Great. In ancient times, it was the center of Buddhism, which has left prominent marks in the valley to this day.

Mingora is the main town and center of economic activity in Swat Valley. The town offers quality accommodation facilities and restaurants. Locally produced semi-precious stones, embroidered dresses, hand-woven shawls and woodwork products are available in the markets as local specialties for tourists. The other important urban area is Saidu Sharif, the seat of administration for managing government affairs. There is an airport in Saidu Sharif which used to have flights from Islamabad when the security situation was normal. Important tourist

attractions of Swat valley are listed below:

- **Marghazar** is a small serene town located about 13 km from Saidu Sharif at the base of Mount Elum. A key attraction of the area is the White Palace which was the former residence of the ruler of Swat. The palace now exists as a high-quality hotel and restaurant.
- **Malam Jabba** is a modern hill resort about 44 km from Mingora. The area is surrounded by beautiful mountains and has a chairlift, ski run and a mini golf course. Presently, the place is in the process of reconstruction after being destroyed during previous conflict in the area.
- **Bahrain** is a beautiful small town in Upper Swat, situated along the Swat River. It is the most frequently visited place, as it is on the road leading to other tourist destinations.
- **Kalam** is a small town in Upper Swat. By virtue of its beautiful panoramic natural beauty, it is one of the most popular places for the tourists coming to Swat Valley.
- Other tourist places in Swat that are famous for their natural scenic beauty include **Miandam, Madyan, Matiltan** and the valleys of **Bashigram, Mankial, Utror** and **Gabral**.
- There are many beautiful lakes in Swat which feed the emerald green Swat River. These lakes provide ideal camping sites for adventurers and nature lovers. Most of these lakes are accessible only through trekking. Some popular lakes include **Bashigram Dand, Daral Dand, Mahodand, Saidgai Dand, Kundal Dand, Pari/Khapiro** and **Neelsar**.
- The other important tourist attraction in Swat are the remains of Buddhist culture. Buddhist sites, such as stupas, monasteries, settlements, caves, rock carvings and inscriptions are scattered all over the Swat Valley. Some important Buddhist locations include **Butkara, Shingardar Stupa, Nimogram Stupa, Elephant Pass in Shahkot Pass, Tokar Dara Stupa and Monastery, Gumbutana Stupa** and **Ram Takht (Ram's throne)**.
- **Swat Museum** is located in Saidu Sharif, and has a huge collection of artifacts, stupas, coins and other assets of Gandhara civilization. The museum is in the process of being re-opened after being closed due to security issues in the area.

1.4.2 Kaghan Valley

Kaghan is a beautiful valley in the Mansehra district of Khyber Pakhtunkhwa. For the past few decades, the valley has been a favorite summer holiday spot for domestic as well as foreign tourists. The valley has pine forests, alpine meadows, beautiful lakes and mountain streams. Kunhar River, the main feature of the valley, is famous for its trout. Main towns of the valley include Balakot, Paras, Mahandari, Kaghan and Naran. Brief descriptions of the important tourist places are presented below:

- **Balakot** is the gateway of Kaghan Valley, located on the bank of Kunhar River. Along with its picturesque landscape, Balakot also has a historical significance, due to a famous battle fought between the Sikhs and Muslims.
- **Shogran** is one of the most beautiful plateaus in the valley, situated at 34 km from Balakot via Kawai. It has thick pine forests. Famous peaks of Kaghan Valley like Musa Ka Musalla, Malika Parbat and Makra Parbat are visible from the Forest Rest House of Shogran.
- **Sari Paya** is a tourist spot that can only be reached after climbing more than two thousand feet. Sari is a small lake on the way to Paya, and the ridge of the Paya has a lush green meadow.
- **Sharan** is a beautiful place, famous for its lush green meadows and thick pine forests. The area is accessible only through jeeps.

- **Kaghan** is the town which gives the valley its name. It is a permanent settlement with all the civic facilities. It offers accommodation, food and transportation facilities to tourists arriving in the town.
- **Naran** is the main center of tourist activity in Kaghan Valley. The town is situated on the bank of Kunhar River. The place offers good hotel accommodation, food and shopping. It is also a base station for making day trips to places like Lake Saiful Muluk, Lalazar and Babusar Pass. Trout fishing and easy river rafting is also offered to tourists.
- **Lake Saiful Muluk** is the most famous attraction of Kaghan Valley. The lake is associated with the legend of Prince Saiful Muluk and is surrounded by snow-clad mountains.
- **Lalazar** is a picturesque pasture, linked to Naran through jeep tracks. It has thick forests of pine and fir. A rest house and two hotels provide food and drinks to visitors. Camping facilities are also available.

There are diverse tourist attractions available in Kaghan Valley. These include **trekking and hill-walking** in Naran, Shogran and Sharan, **trout fishing** in lakes and Kunhar River, **jeep safaris, pony riding** around Saiful Muluk and other areas, **mountain-climbing, mountain biking and river rafting** in Kunhar River.

1.4.3 Chitral Valley

Chitral Valley is situated in Khyber Pakhtunkhwa in the Hindu Kush mountain range. The Valley offers a fascinating combination of scenic beauty and cultural diversity. With its collection of rugged mountains, beautiful rivers, hot springs and fruit orchards, Chitral is truly an enchanting part of Pakistan. Presently, Chitral hosts ancient Chitrali tribes, nomads and the ancient pagan tribe of Kalash. The natural and cultural heritage of Chitral offers great opportunities for tourism and trekking adventures through the rugged mountains, snow-clad peaks, lush green meadows and crystal clear streams. The valley is also home to rare species of plants, animals and birds, which form the base for promoting ecotourism in the area. Major attractions of Chitral Valley include:

- **Kalash** is an ancient pagan tribe living in the three valleys of Bumboret, Birir and Rumbur. The Kalash religion is based on the myths and superstitions of relations between humans and the universe, manifested through dance and music. The Kalash celebrate four major festivals commemorating seasonal change and significant events in agro-pastoral life (held in May, August, October and December).
- **Shandur Polo Festival** is held in Shandur Pass, a midway place between Chitral and Gilgit. The place has a lake and beautiful natural landscapes, surrounded by high mountains. The Shandur Polo tournament is played between the teams of Chitral and Gilgit every year in July. During this event, polo enthusiasts, mountain lovers, writers, photographers, and mountain bikers gather in Shandur to enjoy this event.
- **Chitrali Culture** is a major attraction for tourists coming to this part of Khyber Pakhtunkhwa. It has traces of four different races, resulting in more than ten different languages being spoken in the valley. The traditions of music and dance are very strong in the area and the number of festivals held in the area attract both domestic and foreign tourists.

- Three important valleys of Chitral are **Madaglasht, Goleen and Laspur**. Madaglasht offers attractions of handicrafts, Gocharsar waterfall, trekking tracks and animal and bird-watching. Goleen valley offers interaction with Chitrali culture, Chattodok Lake, beautiful treks and sightings of various animals and birds. Laspur Valley has Shandur Lake, trekking opportunities and sightings of wildlife.
- Chitral has attractions related to **ecotourism**, which attract tourists from all around the world to help conserve nature and develop a better understanding between people of different cultures.

1.4.4 Dir Valley

Dir is an old town that is administratively divided into Upper and Lower Dir. Panjkora River passes through this transit town for the road journey towards the scenic Chitral. Upper Dir is mountainous with huge green forests, while Lower Dir consists of arid and fertile valleys. The history of Dir goes back to at least the 2nd millennium BC, which the excavations of numerous burials of Aryans at Timargarha and other places testify to. Dir has been an important center of Gandhara Art. Brief description of the important tourist attractions of Dir are presented below:

- At a distance of 5 hours from the district headquarter of Upper Dir town, **Kumrat Valley** is an important tourist attraction. Local pine forests are habitats for a variety of birds including the Monal Pheasant and Himalayan Snow Cock. Wildlife such as markhor, deer and leopard are also found here. For adventurers, the area offers opportunities for mountaineering, trekking and rock climbing.
- **Barawal Valley** is situated at a distance of 40km from Upper Dir, Northwest of Dir town. This scenic place is comprised of sub-valleys, Shingara Dara, Sunai Dara and Nasrat Dara. The whole area is a hub of wildlife with sprawling oak forests. Fresh apples, grapes, walnut, peaches, plums, pears, cherries and honey are favorite locally produced fruits.
- **Shahi** is an attractive tourist spot, situated on top of the mountains of Samarbagh and Barawal. In the summer season, it unveils its natural attraction. Here, one can view its plain area that is nearly 1 km long, encircled by towering mountains i.e. Soorgulo Sar, that brings forth the natural magic of Samarbagh, Kambat and Mayar.
- Just 20-25 km from Shahi, lies the small scenic valley of **Binshahi**. The place is inhabited by its original Mishwani tribe. The visitors can relish mountain climbing, trekking and enjoy the beauty of the Shalkhokas Danda Lake. Dense conifer forests cover the mountains.
- **Laram Sar** is a lush green scenic spot in Lower Dir. The important surrounding hamlets include Danda, Tangobagh, Segay, Babakhwar, Kasso, Gudyakhwar etc. Timergara, the main town of Dir, lies on its western side with the famous modern tourist resort of Malam Jabba on its eastern side. The mountaintop has a radar system and TV booster.
- The Buddhist **Stupa of Andan Dheri** is about 10 km from Chakdara. The architectural grace of the main and other small stupas is based on the art of stone-masonry, dating back to ancient times. The sculptures of the once-flourishing Gandharan Art, dating back to the Christian era, were found on excavations in this small town.
- **The Dir Museum, Chakdara**, offers a fine and unique collection of Gandharan Art. The collection in this section includes themes of Buddha's pre-birth and life stories, miracles, worship of symbols, relic caskets and individual standing Buddha sculptures. The Ethnological Gallery of the museum includes manuscripts, weapons, jewelry, dresses, ceramics, musical instruments, household objects, furniture and wooden architectural

elements. The Gandharan art pieces in the Dir Museum mainly originate from the sites of Andan Dheri, Chat Pat, Baghrajai, Bumbolai, Jabagai and Shalizar.

1.4.5 Abbotabad and Galliat

Abbotabad is an important city of Khyber Pakhtunkhwa situated in the Hazara region, which is blessed with rich natural beauty. Most of the tourists pass through Abbotabad to travel further to other tourist places in Khyber Pakhtunkhwa and Gilgit Baltistan. The city therefore has whole range of hotels and restaurants to cater to the needs of these transit tourists. Abbotabad is also home to the Pakistan Military Academy (PMA), Kakool. Evergreen Abbotabad has cooler weather in the summer and snowfall in the winter. There are many freshwater springs and surrounding snow top mountains. Abbotabad is also known for being a city of schools and colleges.

The region known as Galliat is also situated in Abbotabad. The word Galliat, plural of the Urdu word *Gali*, refers to an alley that has mountains with valleys on both sides, but is not the highest point in the range. Many of the towns in this area have the word *Gali* as part of their names. These towns are popular summer holiday destinations in Pakistan. Hill stations collectively known as the Gallis and the Kaghan valley are the best known parts of Hazara. Domestic and foreign tourists enjoy its cool and serene valleys during the hot summer. Brief descriptions of the important tourist towns/destinations in Galliat are presented below:

- The four small hill resorts close to one another—Khanspur, Khaira Gali, Changla Gali and Ghora Dhaka—are called **Ayubia**. The central hill station of Ghora Dhaka has a chairlift, which provides a broad, charming view of the picturesque scenic beauty in the area. This chairlift was the first recreational facility of its kind in Pakistan and is still a major attraction for domestic tourists. There are number of hotels and food outlets that serve snacks, food, tea and coffee along with other eatables. Ayubia also has a protected area, named Ayubia National Park.
- **Nathia Gali** is a mountain resort town or hill station in Galliat. Nathia Gali is known for its scenic beauty, hiking trails and pleasant weather, which is much cooler than the rest of the Galliat due to its altitude. Nathia Gali is the most popular destination in the Galliat area after Murree (Punjab). High-income tourists come to enjoy the serene beauty of the area. There are many quality hotels in the area to accommodate these tourists. The Nathia Gali region serves as home to all kinds of wildlife—various species of birds, insects, butterflies and animals.
- Another important tourist attraction is **Changla Gali**, one of the tourist mountain resort towns of Galliat. Changla Gali is located in Seer Gharbi, which is part of the Union Council of Abbottabad. Diverse flora and fauna exist in the area, another important attraction for the tourists.
- **Dunga Gali** is one of the tourist mountain resort towns in the Galliat area of Pakistan, located in the Nathia Gali Union Council. During British rule, it served as a sanatorium and contained a hotel, post office and a small church.
- Galliat offers excellent **trekking** opportunities. Trekking amidst the voices of enchanting birds adds to charm of this outdoor adventure. The pine forests and fragrance of beautiful flowers and plants during the trekking add to the appeal of Galliat. Popular treks include:
 - **Mushkpuri Trek** (goes to Mushkpuri hilltop; 3 hours from Pines Hotel Nathia Gali)

- **Meranjani Trek** (goes to Meranjani hilltop)
- **Dunga gali Pipeline or Ayubia National Park Trek** (Ayubia to Dunga Gali)
- **Dugri Trek** (Nathia Gali to Dugri)
- **Thandiani** is an important tourist destination in Hazara, easily approachable from Abbotabad with breathtaking scenic beauty. Thandiani was established as a sanatorium during British rule but was later neglected. It has been rediscovered as a hill station recently, and is completely unspoiled. There are few shops at the tourist destination and a guesthouse.

1.4.6 Peshawar and Surroundings

Peshawar is the capital city of the Khyber Pakhtunkhwa Province. The city is considered to be the one of the oldest living cities on the planet, formerly the center of the ancient Kingdom of Gandhara. Peshawar offers tourist attractions for people interested in history, culture and local traditions. Shopping for the local specialties and local cuisines also attract domestic and foreign tourists to Peshawar. The city can be divided into four sections: The Old Walled City, The British Cantonment, University Town and Hayatabad. Key attractions in each of these areas are listed below:

- The Old Walled City is the most exciting part of Peshawar, dating back to the Buddhist, Mughal and Sikh times. There are a number of colorful bazaars with specialty shops. **Khyber Bazaar, Qissa Khawanai Bazaar, Chitrali Bazaar** and **Banjara Bazaar** are some notable markets in Peshawar city. Brass and copper shops, Peshawar pottery, blankets and shawls are some products that tourists might be interested in. **Mahabat Khan Mosque** is a famous mosque of Peshawar which was built in seventeenth century. The **Cunningham Clock Tower** was built during the British era in commemoration of the Diamond Jubilee of The Queen.
- **Sethi Street** is a place of historical significance. It has houses with wooden balconies, leading into spacious courtyards. The street offers an amalgam of pre-Islamic, Mughal, Sikh and British motifs, tracing back to the rich and diverse cultural history of Peshawar.
- **Gor Khatri** was once a Mughal caravanserai which was built for travelers. The site has been considered holy for centuries and was once a Buddhist shrine. An archeological dig in Gor Khatri has established that Peshawar is one of the oldest living cities in the world.
- Other important buildings of Peshawar city include **Balahisar Fort, Tomb of Nawab Sayid Khan, All Saints Church, Durrani Graveyard, Gurdwara Bhai Joga Singh, Hindu Temple Karimpura** and **Kotla Mohsin Khan**.
- Important sites in the Peshawar Cantonment include **Saddar Bazaar, St. John's Cathedral, Seventh Day Adventist Church, St. Michael's Roman Catholic Church, Peshawar Club, Peshawar Golf Club, Nau Gaza Grave, Company Bagh** and **Governor House**.
- An important tourist place in Peshawar is **Peshawar Museum**, which has one of the best collections of Gandhara civilization in Pakistan. There is also an ethnological section, the Hall of Tribes, with wooden carvings from Chitral and a Muslim Gallery.
- Peshawar is famous for its cuisine. The most famous is **Chapli Kebab**, made from beef, herbs and corn flour. **Saffron Rice** is also a popular dish. Locally baked bread (**Nan**) are also well-liked by tourists. The favorite beverage in Peshawar is **Green Tea**.

1.4.6.1 Tourist Attractions in Peshawar Surroundings

Important tourist attractions in the cities and town surrounding Peshawar are discussed in the following paragraphs:

- There are **Gandhara Remains in Charsadda**, which is 24 km away from Peshawar. The old name of Charsadda was Pushkalavati, the first capital of Gandhara. Remains of Gandharan culture are found in Bala Hisar, which consists of two high mounds on the Peshawar-Charsadda road. Scattered pottery shards and attractive round colored stones can be found at the excavated place.
- There are two museums in Charsadda: **Pushkalavati Museum** and **Ghani Dheri Museum**. These museums house a fine Gandhara collection.
- The **Buddhist monastery of Takht-e-Bahi** is situated in district Mardan on the Mardan-Swat road. This is the most impressive and complete Buddhist monastery in Pakistan. The monastery and stupas date back to the first century AD.
- **Ashokan Inscriptions of Shahbaz Garhi** are situated in district Mardan. These are carved on two rocks and are the oldest surviving writings of any historical significance in the subcontinent. Shahbaz Garhi was once an important city at the junction of two major trade routes, the main road from Afghanistan to India and the trade route from China via the Indus Valley.
- **Azakhel Botanical Park** is located 35 km from Peshawar on GT Road in Azakhel, Nowshera. The landscaped and colorfully planted botanical garden is a repository of rare and endangered species.
- **Cherat** is a small cantonment and a former hill sanatorium, a few miles south of Nowshera and Mardan. There are many surviving British era military installations, hospitals, cemeteries and churches here. A small military museum also serves as an important attraction for the tourists.

1.4.7 Khyber Pass and Surroundings

The legendary Khyber Pass is one of the greatest attractions for visitors coming to Peshawar. The area is of special interest to tourists who have an interest in history. The **Khyber Pass** carries a great historical significance, since it has served as the most strategically important route for invasions on the Indo-Pakistani Subcontinent. Important tourist attractions in Khyber and its surroundings are presented below:

- **Jamrud Fort** was built by the Sikhs and is the burial site of the famous Sikh General Hari Singh
- **Shagai Fort** is also an important tourist site, built by the British and presently in use of Pakistan Army
- **Ali Masjid Fort** is at the narrowest part of the Khyber Pass and commands the entire length of the pass. The cemetery here houses the graves of the British soldiers killed in war with Afghans. **Regimental Insignia** are carved and painted on the faces of the rocks at several places beside the road.
- About 25 km from Jamrud is **Sphola Stupa**, a Buddhist ruin near the village of Zarai. Many Gandharan sculptures were found when the site was excavated.

- Tourists visiting Khyber also go to the **Khyber Rifles Regimental Headquarters** to have lunch and enjoy tribal dancing and bagpipes.
- **Landi Kotal** is the last railway station, only eight kilometers from the Pakistan-Afghanistan border. Trading activity, which used to be a hallmark of this place, has slowed down after the Afghan war.
- **Michni Post** is a fortified viewpoint just past Landi Kotal, and a briefing point for the visitors
- One of the most important attractions of Khyber Pass is the **Khyber Steam Safari**, the train going from Peshawar to Landi Kotal. The train passes through 34 tunnels and 92 bridges. The train safari is presently discontinued due to the conflict situation and damage to the track.
- **Darra Adam Khel** is in FR Kohat and famous for its arms-manufacturing cluster

1.4.8 Kohistan Region along Karakoram Highway

Karakoram Highway (KKH) starts from Havelian in Hazara and goes up to the Khunjerab Pass in Gilgit Baltistan from where it enters China. KKH passes through the Kohistan area (including Districts Kohistan and Shangla) before it enters Gilgit Baltistan. The places in KP, all along the KKH, are very important from a tourism perspective since they act as transit for the tourists going to Gilgit Baltistan. Good quality accommodation and food outlets are available in all the important towns on this route. Important towns are discussed in the following paragraphs:

- **Battagram** is an important city of the Hazara division of Khyber Pakhtunkhwa. The town is situated along the KKH, and is used as a transit location by the tourists going to Gilgit Baltistan. Along with its transit role, the district itself also has a number of tourist attractions, including beautiful scenic mountains, thick forests, fertile lands and enchanting streams and a water-free environment. The mild summers and the scenic landscape of the area attract tourists, both local and foreign. Battagram offers a host of activities such as mountain climbing, hiking, nature trails, rock climbing etc. There are number of good hotels in Banna, Thakot, Kuza Banda, Shamlai and Battagram.
- **Besham** is the largest town and the commercial centre of District Shangla in KP. It lies above the Indus on the famous KKH, halfway between Islamabad and Gilgit. Shops in Besham are famous for their china and international goods. In summer, this small town is the center of international and national holiday makers who use this route to visit Gilgit Baltistan. Besham has become a hub of travelers due to its strategic crossroads joining the Swat, Gilgit and Hazara divisions. Besham has got a few good hotels. Though it is mainly populated with the upright Kohistanis, one finds a blend of faces from various parts of the Northern Country.
- Two other important towns in District Kohistan are **Dasu and Komila**. Together, these two towns, linked by the KKH bridge, have merged to form the biggest settlement between Besham and Chilas. Dasu, the headquarters of Kohistan district, has government offices and rest houses. **Pattan** is also an important settlement in this area, and the starting point of **Palas Valley**. Palas Valley is a biodiversity hotspot and an excellent place for ecotourism and nature-based tourism. Komila has a bazaar and the transport facilities. The twin towns act as an important lodging area for the tourists travelling to Gilgit Baltistan.

Table 5 SWOT Analysis of Tourism of KP	
Strengths	Weaknesses
<ul style="list-style-type: none"> • Rich cultural heritage • Heritage of centuries old civilizations • Natural resources and scenic locations • Potential for adventure tourism • Sites for winter tourism • Potential for ecotourism due to rich biodiversity • International price competitiveness in tourism 	<ul style="list-style-type: none"> • Low priority of tourism by government and low allocation of funds • Weak tourism infrastructure (roads, bridges, electricity) • Substandard tourist facilitation services • Lack of enforcement of standards/certifications in hotels, tour guides, transportation • Difficulty of Pakistani visa issuance • Unorganized private sector • Unsatisfactory security situation • Damage due to militancy, floods and earthquake • Negative country image of Pakistan • Lack of focused and proper marketing • Less enterprising tourism approach by government • Insufficient focus on tourism in national academia • Lack of professionally-trained human resources • Low literacy and English proficiency levels
Opportunities	Threats
<ul style="list-style-type: none"> • Vast pool of domestic tourists • Attractive destination for international tourists • Unique Buddhism tourist sites for religious tourism • Possibility of new job creation through tourism expansion • Availability of exciting new tourist sites • Privatization of government-managed tourism assets • Availability of strong IT infrastructure for tourism promotion • Proactive interest in international donors 	<ul style="list-style-type: none"> • Insufficient government interest in tourism • Failure in the institutionalization of KP tourism • Uncertain security situation in KP • Intolerant elements of society • Competition from regional countries

2. Institutional/Regulatory Issues

2.1 National Level Institutional/Regulatory Issues

2.1.1 Security Issues

Inadequate peace and the volatile security situation in Swat and other tourist areas in KP is currently the biggest challenge in promoting tourism in the province. With security forces deployed on roads and all major locations in tourist towns and their suburbs, many tourists feel threatened and do not wish to visit those areas. In many cases, the army men stay in the same hotels as the tourists, which tourists may perceive to be dangerous. There are many civil installations which are still occupied by the army. In some areas, it is standard practice to provide security escorts to the foreign tourists, even without their request. This practice may threaten and discourage some tourists.

2.1.2 Government as a Business Manager

Currently, the tourism management organizations at the federal and provincial levels are engaged in running commercial businesses. PTDC runs most of its own hotels and transport facilities on a commercial basis. With this practice, the government takes on the role of a competitor to the private sector instead of a facilitator and regulator. The government has lost sight of its prime objective of sector development as a managing organization, and revenue generation becomes its main focus. The situation is better in KP since the Tourism Corporation of Khyber Pakhtunkhwa (TCKP) is not engaged in commercial activities.

2.1.3 Difficulty in Visa Issuance

Due to uncertain security and the volatile geopolitical situation, it is difficult for tourists to obtain a Pakistani visa. The issue is even more complicated when entry into Pakistan is from India, as Pakistan often restricts thousands of tourists coming from India.

2.1.4 Absence of a Tourism Management Entity at the Federal Level

With the abolishment of the federal Ministry of Tourism, there will not be an entity in the federal government responsible for managing tourism on a national level. There are many tourism-related interventions that are not province-specific and must be dealt with at the federal level, such as building the country's image, resolving difficulty in visa issuance, dealing with the overall security situation, etc. The absence of an organization at the federal level will create a vacuum and lead to an inability to deal with tourism-related issues at the national level.

2.2 Provincial Level Institutional/Regulatory Issues

2.2.1 Low Priority on Tourism

Despite the evident importance of the tourism sector for KP, tourism has never obtained its due attention from either the federal or provincial government. This reality is substantiated by the World Travel and Tourism Competitiveness Report, which ranked Pakistan 114th under the category of government prioritization of the T&T industry. In terms of government expenditure on T&T, Pakistan was ranked 101st. Allocation for Tourism in the 2010-11 Annual Development Plan (ADP) was PKR 332 million, which only accounts for 0.65% of the total ADP funds.

2.2.2 Lack of Coordination between Ministries/Departments

Tourism is a cross-cutting theme and is related to a number of other departments and ministries, such as environment, wildlife, forestry, etc. However, all these ministries and departments continue to work in isolation without taking into account the synergies that may be developed through collaboration with tourism. This results in missing out on many opportunities through which tourism development can take place without incurring much cost.

2.2.3 Absence of PPP Laws

The development of tourism infrastructure requires large funds, the provision of which is difficult for the government. One practical option to deal with this issue is to mobilize private sector funds into large development projects for the public good. For this to happen, a regulatory framework is required, which can define the roles and responsibilities of the two partners from public and private sectors. Presently, in KP, there is no such framework, which limits the execution of this option.

2.2.4 Lack of TCKP Capacity

The management of tourism in Khyber Pakhtunkhwa is carried out by the Tourism Corporation of Khyber Pakhtunkhwa (TCKP). During the past two years, TCKP has been very active and has undertaken number of good initiatives for the promotion of tourism in KP. With the devolution of tourism, TCKP has an expanded role to play. The current organizational structure of TCKP is not suitable for taking on the additional responsibilities. TCKP lacks capacity in the functions of marketing, research, creative development, archeology, local culture/traditions and investment facilitation.

2.2.5 Lack of Professional Managers in Tourism Development

In most cases, those managing tourism affairs at federal or provincial levels do not possess a reasonable understanding of the sector. Tourism has always been considered to be an unimportant sector, merely existing as a part of the system. Lack of professionalism in tourism management has been a major cause of Pakistan failing to reach the full potential of tourism.

2.3 Lack of Proper Enforcement of Standards and Certifications

Tourists are guests who are hosted by local communities on a paid basis. Provision of quality services is very important for customer satisfaction and generating good word of mouth. It is important that tourists know precisely about the quality of the products/services they receive for the money they pay. This confidence is provided through the enforcement of quality standards and certifications. The responsibility of managing the laws and standards of hotels, tourist guides and travel agencies lie with Department of Tourist Services (DTS). Before devolution, DTS used to work under the Federal Ministry of Tourism. As per the mandate decided for DTS, it is responsible for ensuring the quality of tourist services through implementation of the following three Acts of Parliament:

1. The Pakistan Hotels and Restaurants Act of 1976
2. The Pakistan Tourist Guides Act of 1976
3. The Travel Agencies Act of 1976

Looking at the current low levels of standards implementation and quality of services offered by hotels and restaurants, it is evident that DTS has not been able to perform its functions very effectively. A Star System also exists to standardize the quality of services offered by hotels but practically, there is no implementation of these standards.

Similarly, there is weak implementation of standards and certifications for tour guides. Although it is the responsibility of DTS to issue licenses to tour guides, only 200 licenses have been issued during the last thirty-five years. Most of the tour guides work without any certification or license. There is no information available to tourists about the quality of services a tour guide can provide, which generates dissatisfied tourists and negative word of mouth, thereby discouraging future tourists.

Likewise, in other services such as transportation, there is no implementation of standards. There is no certification system implemented for vehicles employed by the tourists. There is no standardization of transportation rates between different destinations. The issue of lack of standards and certifications also applies to tourist shops.

In the post-devolution scenario, the authority and responsibility of DTS has been transferred to the provinces. In Khyber Pakhtunkhwa, DTS will work under the Department of Tourism.

2.4 Lack of Proper Marketing and Promotion

Despite being blessed with valuable tourist attractions, Pakistan has not been successful in developing itself into a popular tourist destination in the world. One of the key reasons for this has been the inability to take a structured approach to marketing and promotion, failure to properly present our tourism to the world. There have been few unremarkable activities carried out in this regard on local and/or international media.

2.4.1 National Level Tourism Marketing and Promotion Issues

2.4.1.1 Negative Country Image

Pakistan's image in the world is negative, primarily due to the existence of security issues in the country. The issue is particularly more relevant for KP. While law and order issues do exist in some areas of the province, the reality is much better than the perception due to unnecessary sensationalizing created by the local and international media just to increase viewership. Travel advisory reports are developed by diplomats who rely only on the media and have no exposure to realities on the ground. International development organizations exercise special security measures and include the cities of KP in their high-risk list. This negative image has become a strong barrier for international tourists to travel to Pakistan and discourages domestic tourists from traveling to KP.

2.4.1.2 No Branding of Pakistan Tourism

During the past six decades, Pakistan has not been successful in developing a brand of its tourism. This fact is substantiated by Pakistan's 117th ranking in the category of effectiveness of marketing and branding. Pakistan as a whole and KP in particular, has very rich natural, historic,

archeological, cultural assets, which can very easily and quickly create a brand for KP Tourism. Many countries have successfully branded their tourist attractions despite not having many notable tourist attractions.

2.4.1.3 No Involvement of PIA and other Stakeholders for Tourism Promotion

Pakistan International Airlines (PIA) can play an important role in promoting tourism. However, in its present capacity, it is not involved in any notable tourism-related activities. Previously, PIA used to offer sightseeing services to transit passengers at local airports such as Karachi Airport, but these services are no longer offered.

2.4.2 Provincial Level Tourism Marketing and Promotion Issues

2.4.2.1 Unimpressive Tourism Promotion Materials

Tourism-related information and promotional materials (brochures, pamphlets, etc.) are developed by all the tourism promotion organizations, including PTDC and TCKP. However, these materials have not been very effective in either attracting tourists or facilitating tourism.⁵ The information provided in these brochures is sometimes incomplete and outdated. In many cases, the tourist does not receive all the information packages at the Tourist Information Center. Even though many Buddhist tourists in Korea, Japan and China may potentially be interested in the Gandhara-related attractions of Pakistan, no notable information and/or promotional materials have been developed in their languages.

2.4.2.2 Insufficient Use of IT for Tourism Promotion

PTDC, the previous Federal Ministry of Tourism, TCKP and other provincial tourism promotion organizations, through their websites, have ensured their presence on the Internet. However, none of these websites meet all the needs of a tourist. There are no facilities to obtain online information on room availability or online bookings of hotels, transport facilities, tour guides, etc. Most of these sites are developed in a routine manner and are of little practical use to the tourists. TCKP is in the process of developing and uploading its new website, which is an improved version of the older website. However, even this new version does not offer the complete one-stop solution for tourists. Following a stereotypical approach limits the potential of utilizing information technology as an effective tool for tourism promotion.

2.4.2.3 Lack of Affinity for Tourism

As per the TTCI, Pakistan is ranked very low in terms of affinity of the local communities for tourists—125th in tourism openness and 127th in attitude of population towards foreign visitors. These ratings do not properly reflect the real situation as Pakistanis in KP and in other provinces are generally very friendly and hospitable. It is only a small intolerant segment of the society responsible for creating these negative perceptions. Lack of community mobilization allows these segments gain strength in the society and create barriers to tourism.

2.4.2.4 Ineffective Participation in International Fairs and festivals

An important tool for promoting Tourism is participation in international fairs. Although PTDC has been participating in international fairs, its participation thus far has not led to the desired results. On TTCI, Pakistan was ranked 62nd in terms of participation in international fairs.

⁵ The information and promotion material developed by TCKP recently is of much superior quality

Compared to this, India was ranked 1st in this category. This shows the interest and commitment of India towards promoting its tourism. Pakistan's participation in the international fairs has not been very proactive. Compared to the presence of other countries, a small stall gives Pakistan an insignificant presence in a fair. Adding to this, people included in the delegation to international fairs are usually not relevant personnel.

2.5 Tourism Infrastructure

2.5.1 National Level Tourism Infrastructure Related Issues

2.5.1.1 Electricity

Electricity is a basic need for tourism promotion. The situation of electricity supply is not satisfactory in the tourist areas, which discourages tourists.

2.5.1.2 Non-Operational Saidu Sharif Airport

Saidu Sharif Airport in Swat used to have regular flights to and from Peshawar, Islamabad and Chitral. Due to the security issues and the conflict situation in the area, the airport is now closed, which has limited tourist flow to Swat via air.

2.5.1.3 Damage due to Conflict and Disasters

Due to back-to-back crises in KP over the past few years, the tourism sector has suffered huge losses. These losses incurred are not only in the form of physical damages to buildings, equipment, etc. but also in the form of lost business. The closure or the sub-optimal operations of the local businesses have resulted in job losses for thousands of workers in the tourism sector. The recent floods have also caused damage to tourism infrastructure, including hotels, roads, parks, picnic sites etc. in Swat.

2.5.2 Provincial Level Tourism Infrastructure Related Issues

2.5.2.1 Lack of Access Roads

One of the most important requirements for the promotion of tourism in KP is the provision of access roads to major tourist destinations in the province. After the recent floods, there have been huge damages to the roads and bridges in Swat Valley, home of archeological sites of Gandhara civilization. In particular, the road connecting Mingora to Kalaam has been damaged, only allowing four-wheel drive vehicles to travel on this road. Similarly, roads to tourist sites in Kaghan Valley need upgrades.

2.5.2.2 Lack of Reliable Transport Facilities

There is a shortage of reliable transport facilities for travel from the main cities of Pakistan to major tourist towns and from such towns to tourist attractions.

2.5.2.3 No Development of New Tourist Sites

During the past two decades, very little has been done to develop new tourist sites/attractions in KP. One exception has been the Malam Jabba Ski Resort, which has been badly damaged due to conflict in the area. Lack of development of new tourist sites is particularly relevant for domestic tourism since most domestic tourists are interested in visiting new places. An important tourist attraction in KP used to be the Khyber Steam Safari. This train journey from Peshawar to Landi

Kotal attracted many foreign dignitaries and eminent people from all walks of life. Presently, the train safari is not functional due to the damage caused by floods and militancy in the area.

2.5.2.4 Museums

KP is the home of Gandhara civilization. There are about eight museums in the province showcasing glimpses of local history. Relative to the rich history and culture of KP, the number of museums seem few. Displays and information dissemination methods used in these museums are not in line with modern practices and unsuccessful in generating the interest of tourists. There is no use of IT to make visits more useful and interactive.

2.5.2.5 No Archives of Tourism Assets

There are many tourism-related assets and knowledge bases in KP which exist in scattered and unorganized forms, and face the threat of getting lost with the passage of time.

- There is no mapping of tourism sites in KP, which keeps people unaware of these assets.
- Much literature has been written on the culture, traditions and history of KP. These books are very unique and can serve as catalyst in increasing the interest of people in these areas. Currently, these books are not available in an organized database. Moreover, most of these books are out of print or face the threat of getting lost. Currently, there is no project to preserve this great treasure of knowledge.
- KP has a diverse culture with different customs, traditions, music, dances and folklore. There are no archives of these assets and with the passing times, these assets face the threat of getting lost in the pages of the history.
- The local arts and crafts of Khyber Pakhtunkhwa is also very rich and popular among local and foreign tourists. There is no available database of these local specialties.

2.5.2.6 Ineffective Tourist Facilitation

An important activity in tourism development is to facilitate tourists. A satisfied tourist is the most effective marketing tool for tourism promotion. Negative word of mouth from an angry tourist due to unsatisfactory facilitation discourages future tourist traffic. The current approach and methodology of facilitating tourists is not very effective.

2.5.2.7 Unplanned Development in Tourist Towns

There are no town development plans for tourist destinations like Swat and Kaghan. Unplanned development in these tourist towns is damaging to the tourism environment. Lack of proper systems for solid waste and sewage water disposal has become a major issue in tourist towns.

2.6 Workforce Development

There is a lack of integrated approach to ensure the supply of qualified human resources (managers and workers) for the tourism sector of KP. There are no degree courses on tourism offered by large universities in the province. A Master's degree is offered by the Hazara University Pakistan Austrian Institute of Tourism and Hotel Management (PAITHOM) in Swat has not been used effectively up until now. Currently, it is being used by Pakistani Army. After devolution, the management of the institute has been transferred to KP's Department of Tourism.

2.7 Insufficient Flow of Funds to Tourism Sector

Despite the inherent business potential of Tourism, the sector has never been a priority for the financial institutions. There has never been preferential treatment given to this sector either by the State Bank of Pakistan or by the commercial banks. Unlike many of the other sectors, there has been no concessional financial support for tourism, even though the dynamics of the sector are very different from industrial, agricultural or micro sectors. As a result, the private sector in tourism is unable to get its due share of the commercial funds. There are no special funds allocated for tourism and no program lending schemes have been launched.

3. Way Forward

Sustainable Tourism can only be developed by adopting a long-term approach. It requires creating an enabling environment, investing in infrastructure and service delivery mechanisms, ensuring a supply of professionally-trained human resources, attracting tourists through focused marketing/promotion and delivering quality services to tourists.

In any sector's development plan, it is always appropriate to have a long-term view of the sector and highlight the potential role the sector can play in the overall economic development of the area. Thus, while developing a Vision Statement for the tourism sector of Khyber Pakhtunkhwa, the broader benefit of achieving "economic growth" has been highlighted as a major benefit of implementing this vision. To achieve this objective, it is necessary to align the local tourism sector with international best practices. So the phrase "internationally competitive tourism sector" has been included in the proposed statement below. The overall approach has been to come up with a simple, communicative and comprehensive statement. Based on these considerations, the proposed Vision Statement for the KP tourism sector is presented below:



3.1 Vision Time Frame- 2025

Looking at the potential of tourism in Khyber Pakhtunkhwa and the current performance of the sector, it is suggested that the time frame to achieve the desired objectives stated above should be fifteen years. Therefore, the duration of this vision should continue to the year 2025.

3.2 Proposed Mission Statement for KP Tourism

The Vision Statement is explained further in the Mission Statement below, which provides a more elaborate description of the activities that need to be undertaken to accomplish the objectives stated in the Vision Statement.

To make the Mission Statement more comprehensive, all the important pillars of strategy have been included. The proposed Mission Statement is presented below:



4. Recommendations

Developing the tourism sector in Khyber Pakhtunkhwa requires a structured and phased approach. The recommendations have been grouped in the following six key areas:

1. Institutional/Regulatory
2. Standards and Certifications
3. Marketing and Promotion
4. Tourism Infrastructure
5. Human Resource Development
6. Investment Promotion

4.1 Institutional/Regulatory

4.1.1 Assign Top Priority to Tourism

Development in any sector is only possible with a strong political will. Therefore, the first and foremost step in promoting tourism in KP is assigning tourism to be the top priority of the government of Khyber Pakhtunkhwa. Tourism should be officially designated as the most important sector by the government. This commitment of the provincial government should also have full support of the federal government since there are many tourism-related factors that directly concern foreign policy. The commitment of the government should also be very visible.

4.1.2 Coordination between Ministries/Departments

Coordination should be formalized between different ministries and departments to develop tourism-related synergies through the Ministry of Tourism. For example, if the Department of Wildlife is creating a strategy, it should also keep tourism development considerations in mind. Similarly, tourism development should be incorporated into the plans of other ministries.

4.1.3 Formation of a Tourism Think-tank

It is recommended that a pool of intellectual resources be created, which may be called a *Tourism Think-tank*. The proposed organization should include representatives from the private sector, government policymakers, civil society, academia, financial institutions, training and R&D organizations, media, renowned tourists from Pakistan and around the world, national and international tourism development experts and consumer organizations. The purpose of creating this think-tank is to initiate and promote meaningful public-private dialogue on tourism promotion in KP. The organization will strive to act as an agent of change in the tourism sector of KP, and will present its recommendations to the government.

4.1.4 Peace and Security

Maintaining peace and security is the first and foremost requirement for promoting tourism in KP. Some suggestions in this regard are as follows:

- Security forces should initiate the process of vacating civil installations.
- Special security arrangements should be made when organizing visits to archaeological sites

- Police check posts should slowly replace army check posts.
- The option to have police wear civilian clothes on duty should be considered.

4.1.5 Government to Act only as Facilitator and Regulator

The role of government in tourism should be limited only to facilitation and regulation. The government should formulate policy that facilitates private sector operations, set standards and monitor the implementation of rules and regulations. However, the government should no longer be involved with business operational activities. With the devolution of tourism, the KP Department of Tourism will take charge of the tourism assets of PTDC. It is recommended that the operations of all such assets be privatized through arrangements like sales, lease, etc. The department should develop a procedure to lease these facilities out to the private sector with the following considerations:

- The process should be transparent to provide equal opportunity to everyone and decision-making should be based on merit
- The KP Department of Tourism should keep a close watch on the performance of the private sector to ensure that the facility is used commercially for the right purpose and is not damaged.

4.1.6 Develop Framework for Public-Private Partnerships (PPP)

Public-private partnerships should be encouraged for tourism projects in KP to meet the resource gap and create fiscal space for the government to divert scarce resources to other projects. This will also address the government's implementation capacity constraints by bringing in the private sector's efficient management skills. To successfully develop and implement the PPP model, it is recommended that KP develop a regulatory framework which defines the domains, roles and responsibilities of public and private sector partners. Having a PPP framework will ensure transparency in the process and strengthen the confidence of the private sector. Initially, the framework can be developed for the tourism sector and later expanded to include other sectors. The major thrust of these PPPs should be in the area of tourism infrastructure development. Policy documents for PPP Projects developed by the Government of Punjab and Infrastructure Project Development Facility (IPDF) may be consulted to develop this framework.

4.1.7 Strengthening the Tourism Corporation of Khyber Pakhtunkhwa (TCKP)

It is recommended that the tourism industry strengthen TCKP to cope with the new challenges and institutionalize the reforms. An organizational restructuring will be required for this purpose. Looking at the expanded role of TCKP, the following functions should be added in the organization:

- An important function of TCKP will be to develop marketing and promotion materials for attracting tourists, which requires research-related activities. A Creative Wing has already been created within TCKP. It is recommended that TCKP make this wing permanent.
- A research wing should be created in TCKP to develop tourism databases, statistics and monitor trends.
- Create archaeological and cultural wings in TCKP.

- TCKP needs to strengthen its function of marketing. It is recommended that a full marketing department be established, which will operate with a demand-driven approach instead of the traditional supply-driven approach.
- There should be in-house expertise of IT to make maximum use of technology for tourism promotion and tourist facilitation.
- There should be an Investor Facilitation wing in TCKP with the responsibility of identifying investment opportunities, developing feasibility studies and providing all the required information and facilitation to the investors interested in tourism sector projects.
- The existing wing of the Tourist Information Centre (TIC) should be strengthened by adding more human resources. More TICs should be established.

Competent people who possess a passion for tourism should be hired in the restructured organization. Some special allowances should be introduced to bring the compensation packages of TCKP employees closer to market salaries. It is very important to build the capacity of hired staff. Training programs should be carried out locally and staff members should be sent to other countries to gain international exposure.

4.1.8 TCKP's Role as Facilitator

To make TCKP's role more market-driven, the Board of Directors of the company should ensure the representation of private sector. It is very important that TCKP not engage itself in running commercial businesses as a competitor of the private sector. In new areas where the private sector is reluctant to invest, it may take new initiatives for demonstration purposes. Once initial development is accomplished, TCKP should give space to the private sector to play its role. TCKP should only facilitate, regulate and monitor the private sector.

4.1.9 Federal Organization for Tourism Promotion

To fill the vacuum at the federal level with respect to tourism, an organization that deals with tourism issues at the national level is necessary. For this purpose, instead of forming a new organization, the PTDC should be strengthened and restructured as The Pakistan Tourism Development Board with representation of both the private and public sectors. The Board should be responsible for three main functions:

1. Marketing and promoting Pakistan's tourism to domestic and international tourists (for all the provinces and special regions of Pakistan)
2. Coordinating and resolving tourism issues at the federal level (foreign affairs, trade, etc.)
3. Mobilizing local or foreign investment for tourism development
4. The proposed Pakistan Tourism Development Board should perform these functions in coordination with the provincial tourism development organizations (TCKP in case of KP).

4.1.10 Facilitate Visa Issuance

The issue of visa facilitation should be taken up with the highest levels of authority in the Ministry of Foreign Affairs. A practical way of issuing visas while following the security requirements is to involve some organizations to serve as guarantors in the process. An important link in this regard is the tour operator. About four years ago, the government agreed to issue

visas on the recommendation of tour operators who were included in the designated tour operators list. With the security situation improving, the government should consider the option of facilitating visa issuances through this route.

4.1.11 Environmental Protection

Conservation of the natural environment should be a part of the development strategy. Environmental considerations should be kept in view while designing and implementing any tourism project. TCKP should coordinate with the Environmental Protection Agency (EPA) to conduct an Initial Environment Evaluation (IEE) and Environmental Impact Assessment (EIA) for the hotels and ensure adherence to environmental standards.

4.2 Development/Implementation of Quality Standards

It is recommended that the implementation of standards and certifications be improved for hotels, restaurants and other service providers. The following measures should be taken for the implementation of standards and certifications across all service providers in tourism subsectors:

1. The three Acts regulating the tourism sector are outdated and need amendments. With the expected shift of responsibilities to provinces, a committee should be formed within the KP Department of Tourism to review these Acts and finalize the required amendments, keeping in mind the ground situation of hotels and restaurants in KP, especially in the context of the damage caused by conflict and/or floods to the hotel sector of KP.
2. After devolution, the role of DTS has been transferred to provinces. It is important that DTS be strengthened by adding human and infrastructural resources. It is also important to build the capacity of DTS staff so as to enable them to perform their duties in an effective manner. DTS should be given responsibility, along with full implementation authority to enforce these laws. Proper monitoring and follow-up mechanisms should also be developed to ensure the enforcement of these standards.
3. Hotels and restaurants should be issued certificates once they are evaluated and awarded a rating on the improved Star System. It should be mandatory for the hotels to display these certificates in a visible position at their reception desks to inform the tourists about the quality of services. DTS should take the lead in this regard.
4. Financial support should be provided to restaurants for implementing any additional certifications; such as HACCP (Hazard Analysis and Critical Control Points).
5. Some innovative measures should also be considered to motivate the hotels to improve their service quality. One possible option could be to provide support to hotels for subsidizing the stay of tourists and getting commitment from hotels for maintaining minimum service quality standards. Such hotels may be called “Friends of TCKP hotels”.
6. Standards specified for tour guides should also be amended as per the present requirements. Certificates should be awarded to tour guides by DTS, available for them to show to the tourists.
7. Evaluations of tour guides should be conducted on the basis of educational qualifications as well as experience and practical knowledge. For validating the experience, DTS may seek the input of organizations such as the Alpine Club or Adventure Foundation of Pakistan (AFP). There should be standardized tests that must be passed by the tour guides before they are awarded a certificate.
8. Tour guides should be certified in different categories and their qualifications should vary

- accordingly. For example, if a category of tour guide is only for domestic tourists, he may not be required to have Bachelor's degree and have proficiency in spoken English.
9. A special category of tour guides who have proficiency in languages other than English should also be created. For example, for Buddhist tourists, tour guides who speak Korean, Japanese or Chinese will be very helpful.
 10. The tourist guide certification system should also have grades. Depending on the number of years of experience, and after passing a test, a tourist guide may be promoted into the next grade and issued a new certificate.
 11. Standards should be developed for transporters. DTS should take the lead in this regard.
 12. A system for ensuring the operability of tourist vehicles should be improved and implemented. Certificates based on this system should be issued by the competent authority. These certificates should be displayed in the vehicles. A grading system for vehicles may also be established depending on the model, condition, etc.
 - a. Fares should be standardized for journeys to different tourist destinations. Information about these fares should be available to tourists.
 13. Certification and grading systems should also be developed and implemented for tour operators and tourist shops.

4.3 Marketing and Promotion

4.3.1.1 Marketing Strategy

Adopting an integrated approach for tourism marketing and promotion in KP is recommended. A comprehensive marketing and promotion plan which identifies the segments to be targeted should be developed. This plan should be supported by the marketing activities that will be undertaken to attract those segments.

4.3.1.2 Domestic vs. Foreign Tourist

It is always the domestic tourists who come first and are later followed by the foreign tourists. The confidence of the domestic tourist can be revived quickly. Therefore the key theme of the marketing strategy for KP tourism should be to attract domestic tourists in the initial phase. However, simultaneously, some activities should be initiated to attract foreign tourists also. Among all the different categories of foreign tourists, it is recommended to initially focus on tourists coming from Buddhist countries.

4.3.1.3 Attracting Domestic Tourists

Domestic tourists are attracted to Khyber Pakhtunkhwa due to multiple reasons, which form the basis for different types of tourist categories.

- The most common type of tourist in KP comes to spend leisure time and enjoy the weather. Marketing and promotion activities should focus on these tourists.
- An important booster for domestic tourism can be the educational institutions tour. Developing special packages to bring in students from schools, colleges and universities from all over Pakistan to the tourists locations of KP will be very effective.

- There is huge potential for attracting people interested in ecotourism.
- Another form of tourism is the cuisine tourism to attract domestic tourists. People may come to enjoy the local specialty dishes.
- Shopping is another form of attraction for domestic tourists. Some special shopping festivals may be organized at selected locations, such as Peshawar.
- Religious tourism also possesses significance with respect to domestic tourists. Events like annual celebrations on the shrines of Sufis (*Urs*) offer great tourism potential.
- Traditional arts and crafts offer great attraction for domestic tourists. For example, in Peshawar, traditional crafts can be revived, made presentable and sold to tourists.
- Some forms of adventure tourism with potential in KP include canoeing, raft gliding, paragliding, water sports, fishing, ferry journey, etc.
- Health/medical tourism is an important segment which needs to be explored further. In Chitral, there are sulfur springs (*Garam Chashma*), famous for their healing properties.
- The marketing strategy should also attract domestic tourists that are not tourists in traditional sense. For example, visitors coming to a town on official business may want to visit tourist places. Similarly, the foreign tourists under the category of VFR are actually domestic tourists since they originally belong to this land. Special products should be developed to attract these tourists.

4.3.1.4 Attracting Buddhist Tourists

Korea, Japan and China are three countries with large populations of Buddhists. Large numbers of Buddhist tourists can be attracted to Khyber Pakhtunkhwa from these countries. The first step is to identify the sites that are of particular interest to Buddhists due to their religious significance. Some important sites in this regard include the Monastery at Takht-e Bahi, Chhota Lahore in Swabi and a number of famous archeological sites in Swat. The identified locations should be developed to meet the expectations of the tourists. Information and promotional material should be developed in the languages of the potential tourists (Korean, Japanese and Chinese). Targeted awareness and promotional activities should be carried out to attract the tourists.

4.3.1.5 Geographical Focus

Swat, Kaghan, Chitral and Galliat are the four most popular areas for the domestic tourists coming to KP for leisure tourism. Swat is considered to be the hub of tourism in KP. However, local tourism has suffered badly during the past few years due to militancy and floods. The current security situation and the condition of roads, hotels, etc. is not satisfactory. The areas of Kaghan and Galliat are currently rated higher on these two factors. Therefore, it seems appropriate that immediate marketing to build domestic tourist traffic should be focused on Kaghan and Galliat. The full marketing thrust for Swat and Chitral should be applied once the situation in these areas improve further.

4.3.2 Country Image Building

The objective of building a positive image for Pakistan should be accomplished at the international level. TCKP should work closely with the organization responsible for this job at the federal level to neutralize the misconceptions and build a soft and positive image for the country.

4.3.3 Branding of Tourism

4.3.3.1 National Tourism Brand

- For sustainable tourism development, it is important to create a brand of Pakistani Tourism. Since the majority of the tourist attractions are in KP, most of the components of this brand will come from the KP province. TCKP should partner with the proposed “Pakistan Tourism Promotion Board” for this branding.
- Develop a slogan for Pakistan’s tourism like other countries in the world; the slogan should be unique, communicative, catchy, and easy to recall.⁶ This slogan should be developed in consultation with the tourism stakeholders from both public and private sectors, and should be promoted as a central theme for the tourism promotion strategy of Pakistan.
- Once the security situation is further improved, the government should declare the next two to three years to be “Visiting Pakistan” years.
- The job of promoting the brand of Pakistani tourism should also be assigned to Commercial Counsellors in Pakistani Consulates in other countries.

4.3.3.2 Khyber Pakhtunkhwa Tourism Brand

Along with developing a brand for Pakistani tourism, Khyber Pakhtunkhwa should also develop its own tourism brand. The provincial tourism brand should be developed with the approach of covering the rich diversity of tourist attractions present in Khyber Pakhtunkhwa. The positioning of national and provincial brands should complement each other. Developing a separate brand of Khyber Pakhtunkhwa Tourism will be more relevant for promoting tourism to domestic tourists, especially those in other provinces/regions of the country.

4.3.4 Development of Informational and Promotional Material

Informational and promotional materials should be made more interesting. It is important to realize that it is not the place that sells, but the legend associated with the place that sells. Instead of traditional information brochures, the tourist destinations should be linked to legends or events with some catchy phrases. Similarly, the informational material at archeological sites should also have commentaries or a storyline to make it more interesting for tourists. Researchers of history and archeology should be engaged to develop such materials. The traditional attractions of different cities should also be promoted. Peshawar can be called a living museum (*Alif Laila* in the words of cultural experts). To promote foreign tourism, the informational and promotional material should also be developed in international languages other than English. To attract Buddhist tourists, the materials may be developed in Korean, Japanese and Chinese languages.

4.3.5 Media Campaign for Tourism Promotion

Aggressive campaigning in the print and electronic media should be launched. A master media plan should be developed by TCKP in line with an agreed-upon marketing strategy. To benefit from international best practices, it will be useful to engage renowned international tourism experts to design the media campaign.

⁶ For example, “*Malaysia-Truly Asia*” and “*Incredible India*”

The media campaign should be based on the tourist market segments to be targeted. For this purpose, historical data of the hotels should be used for identifying the profile of tourists coming to different tourist towns at different times of the year. Along with this, it will be a useful exercise to conduct a rapid survey in major cities such as Karachi, Peshawar, Lahore, Islamabad and some others to understand the profiles of the tourists and their preferences. Some important information to be gathered include the city of origin, tourist type (leisure, historic, adventure, health, etc.), occupation (student, family, official, researcher, etc.), average length of stay, etc. A similar campaign should also be launched for international tourists once domestic tourism is revived to a reasonable level.

Exposure to the tourist destinations of KP should be increased in local media. For example, weather reports of places like Swat and Kalam should be shown on news channels on a regular basis. This will induce potential tourists to recall these places. Seed money for this media campaign should come from government. Private sector funds should also be mobilized by getting sponsorships. Local hotels, tour operators and transporters can contribute to this campaign to get advertisement for the services they offer to the tourists.

4.3.6 KP Tourism Web Portal

IT should be effectively used for tourism promotion in KP. TCKP is in the process of developing and uploading a new website. It is recommended that the new website be interactive, and should be developed in the form of a web portal which should be a one-stop shop for tourists. Content on this website should include country/province profiles, information about the tourist attractions in KP, procedures for reaching the tourist destinations, informational brochures, maps, information about hotels, facilities for online bookings, information about tour operators, transporters, tour guides, specialties of different areas, fairs and festivals, tourism news, etc. The website should be updated on daily basis.

4.3.7 Use of Public-Private Partnerships for Tourism Promotion

TCKP should develop partnerships with the private sector to attract tourists to Swat, Chitral, Kaghan, Peshawar and other tourist destinations in KP. Important stakeholders in this regard are hotels, tour operators and transporters. TCKP should design programs to attract domestic tourists in partnership with hotels and tour operators. The spirit of TCKP should be to facilitate the private sector and provide funds to meet any viability gaps which may exist.

- TCKP may contribute by offering discounted room rates to tourists, and in return hotels should commit to implementing minimum service standards in their facilities.
- Some joint marketing and promotional plans may be developed for different tourism hubs like Swat. The cost should be shared by TCKP and hotels.
- TCKP may carry out the publicity of selected hotels, tour operators or transportation service providers in return for maintaining a minimum service quality standard.
- Sponsorships may be sought from multinational companies for organizing fairs, festivals and sports events at the selected locations in KP.
- TCKP should bring hotels, tour operators and transporters together to develop tour packages that deliver quality service to the tourists at affordable prices.

4.3.8 Increased Role of PIA and Pakistan Railways for Tourism Promotion

It is very important that the integrated marketing of tourism is conducted wherever a tourist may have exposure to. A tourist should be exposed to tourism as he or she boards a plane, waits in a transit lounge, takes a cab, checks into a hotel, goes to a shopping mall, etc. Pakistan International Airlines (PIA) and Pakistan Railways should be active partners in promoting tourism. TCKP should coordinate with the Ministries of Defense and Railways and the proposed national tourism promotion organization to make them the ambassadors of tourism promotion in Pakistan.

- PIA offices in other countries should be used for promoting the tourism potential of Pakistan. Promotional material of Pakistani Tourism should be distributed there.
- PIA should conduct promotional events on national and provincial cultures, traditions, dresses, cuisines, etc. of Pakistan in coordination with each country's embassy.
- Sightseeing services for transit passengers should be restarted at all the major airports in the country.
- Tourism information desks should be created with tourism information and promotion materials made available in all airports and railway stations of the country.
- Interactive TV screens should be installed in the transit lounges at the airports providing information on tourism.
- Tourism information and promotional materials should also be available in all the PIA flights and the parlour cars of railways.
- PIA and Pakistan Railways should offer special package fares for important select tourist destinations in KP.
- The possibility of reviving Air Safari for KP and Gilgit Baltistan (GB) mountainous ranges should be explored. The Safari should take off from Peshawar airport.

4.3.9 Cultural and Sports Events for Tourism Promotion

The rich heritage and culture of KP is portrayed in fairs and festivals in different parts of the province. These fairs and festivals should be promoted by the government in partnership with the private sector, and should be converted into well-known events of KP. Some important festivals in this regard include the Kalash Festival, Chitral Festival, Khanpur Spring Festival, Swat *Aman* Festival, Indus Food Festival, Silk Route Festival and Peshawar Cultural Festival.

Sports can also be used effectively to attract domestic tourists. The Shandur Polo festival is an internationally recognized event which should be organized yearly to attract tourists. Some new activities may also be initiated, such as bicycle racing on mountainous roads in places like Abbotabad, Galliat and Swat, cricket and hockey tournaments at select locations, golf tournaments at the golf course at Kabal, etc. Mobilizing private sector funds through sponsorships should be explored. Such events should be covered by local and international media.

4.3.10 Community Sensitization

Development strategies for different areas should only be designed with the participation of local community to ensure its ownership and support. Opinion makers of the society, like religious leaders, *Imams* of the mosques, teachers, social workers, etc. should be mobilized to improve the

affinity of local communities for tourism in KP. It will be useful to highlight potential job creation opportunities and economic benefits in these mobilization campaigns. The importance of civic responsibilities, cleanliness and waste management should also be promoted through religious leaders. Along with creating religious tolerance, it is equally important that the tourism strategy does not violate local culture and traditions.

4.3.11 Participation in International Fairs

More funds should be allocated for participation in top-tier tourism fairs. The quality of the participation should also be improved in terms of the size of Pakistani stalls in international fairs, selection of right people and provision of useful promotional material.

4.4 Tourism Infrastructure

Having quality tourism infrastructure is a prerequisite for attracting tourists. Important components of infrastructure include access roads, railway tracks, airports, flights, road transport facilities, accommodation facilities (hotels, motels, youth hostels, etc.), restaurants, tour operators, tourist attraction sites, tourist shops, etc. An important consideration in developing infrastructure is that the developed facilities should be indigenized and not lose the local touch, since the tourists come to experience the local specialties.

4.4.1 Access Roads

Access roads should be constructed to reach important towns and tourist attraction sites. For this purpose, a survey of the province should be carried out to identify the roads which are important from the tourism development perspective. Some important roads in this regard include the road from Mingora to Kalam, roads to selected archeological sites in Swat and Mansehra Naran road. In addition, roads should also be developed to reach scenic places in the Swat and Kaghan valleys. The proposed infrastructure development should be based on the public-private partnership model.

4.4.2 Other Tourism Infrastructure Needs

Electricity

- To provide some immediate relief, Swat should be declared a load-shedding free district (as has been done for Murree in Punjab).
- Sites with the potential of hydropower should be identified in tourist areas in Swat, Kaghan and Chitral where small power generation units can be installed. The KP Department of Tourism should coordinate with the Sarhad Hydel Development Organization (SHYDO) to identify such sites and find suitable partners from the private sector to install these units.

Transportation Facilities

The availability and reliability of transportation modes to reach tourist destinations in Swat, Kaghan, Chitral and other places in KP should be improved.

- Large transporters operating in the formal sector (Daewoo, Skyways, etc.) should be facilitated to extend their services to major towns like Mingora and to more difficult

locations like Kalam and Naran. Along with regular buses and vans, these companies should be facilitated to start jeep services for difficult terrains.

- To ensure uninterrupted transportation to famous tourist places like Kalam in Swat and Naran in Kaghan, helicopter services should be initiated.

Saidu Sharif Airport

An important recommendation is reviving the Saidu Sharif Airport in Swat and restarting PIA flights. Private airlines should also be permitted and encouraged to initiate flights to Swat. Implementation of this recommendation will send a strong signal that the situation in Swat has been normalized. The news should be publicized in local and international media.

4.4.3 Rehabilitation of Tourism Assets

Any development strategy for the KP tourism sector should include a rehabilitation component for damaged businesses. There are some programs by USAID and the World Bank that are already providing support through various grant programs. However, there is need for more action and the government also act as savior and announce some relief measures. This is very important since the present access to formal finance is practically nonexistent in Swat and other damaged districts. Therefore, these enterprises have to rely on grant programs by the government and the donors.

4.4.4 Civic Facilities Planning of Tourist Towns

It is recommended that in major tourist towns such as Mingora, Saidu Sharif, Naran, etc., the construction and development of houses, hotels and other facilities should be completed according to the approved town plans. Proper planning should be carried out for roads, hospitals, schools and other civic facilities, keeping in view the long term needs of the cities' residents. To promote sustainable tourism development in KP, it is important to develop a solid waste and sewerage water disposal system, in consultation with the local stakeholders. Local residents and visitors coming to the tourist towns should be made aware of conservation standards to protect the beauty of these places. Awareness campaigns should be carried out on an ongoing basis by the town administration. Penalties should also be imposed for damaging the cleanliness of the area.

4.4.5 Development of New Tourist Sites/Attractions

It is recommended to identify and develop new tourist sites, including scenic locations, forts, museums, parks, adventure tourism facilities, etc. Development of these new sites should be part of an overall tourism development plan. The target market for each new site should be identified and detailed feasibility studies should be developed to ascertain the commercial viability of the projects.

4.4.6 Promote the Public-Private Partnership Model

New tourist sites should be developed on a public-private partnership model. A major share of the investment should be injected by the private sector, which should be recovered along with the projected profits. Government should only act as the facilitator and regulator. Some financial contribution from the government may also be considered to meet any viability gaps in the project. In order for this program to take shape, it is important that the PPP framework should be

established and implemented in the province. The proposed Investor Facilitation Wing in the KP Department of Tourism should conduct a survey of different potential districts in KP to identify potential investment opportunities, and develop detailed feasibility studies on the identified projects for interested investors.

4.5 Potential Tourist Attractions

4.5.1 Revival of Malam Jabba Ski Resort

It is recommended that the motel and skiing facilities at Malam Jabba in Swat be revived. Revival of this project has a very high symbolic value. The project will act as a strong indicator to the domestic and international tourist community about normalization of the situation in Swat. A proposal for the revival of this facility was developed by TCKP. Efforts are being undertaken to obtain financial support for the implementation of the project. There are other locations also in KP that are suitable for chair lifts and cable cars installation, such as from Naran to Saiful Muluk and from Kewai to Shogran in Mansehra, and Kalam Bhoyan and Bishigram in Swat.

4.5.2 Revival of Khyber Steam Safari

The tourism promotion strategy for KP should specifically focus on the revival of the Khyber Steam Safari. The revival project will require funds for reconstructing a bridge and maintenance of the damaged track. The revival should be based on partnership between Pakistan Railways and a private sector investor. The project also requires the involvement of the Civil Aviation Authority (CAA) since the railway track passes through Peshawar Airport. To bypass the airport, the option of laying a detour railway track may be considered. A working committee should be constituted for this purpose, with representation from TCKP, Pakistan Railways, CAA and the private sector.

4.5.3 Revival of Abandoned Railway Tracks

Following the successful example of the Khyber Steam Safari, other abandoned railway tracks in KP may also be revived and converted into new tourist attractions. Some possibilities include the track from Peshawar to Takht-e-Bahi, railway lines from Mardan to Charsadda and Dargai and the one going to Attock Khurd.

4.5.4 New Tourist Towns

There are a number of places in KP that have the potential of being developed into tourist towns. One such location is Cherat in District Nowshera, which can be developed into a new hill station in the province. Another such location is Suana near Kohat, which can be developed as a tourist destination.

4.5.5 Cultural Tourism Centers

It is recommended to develop cultural tourism centers at selected locations in the province. One such location is in Gor Khuttree in Peshawar city, for which TCKP has developed a project concept. The project aims to promote tourism through traditional arts and crafts in the area. Skilled people will be provided spaces to make traditional products to be purchased by the tourists. Other tourist attractions like music, dances, etc. will also be included as part of the project.

4.5.6 Facilities for Adventure Tourism

Adventure tourism should be promoted in different parts of KP. Adventure sports such as river rafting, rock climbing, mountain biking, trout fishing, jeep safaris, and paragliding should be promoted at suitable locations near Naran. In Kalam, the potential of paragliding should be explored and promoted. There is also potential for water sports at Khanpur Dam in District Haripur, and should be developed further. TCKP is working on a proposal to operate ferry boats in the River Indus.

4.5.7 Ecotourism Facilities

There is great scope for community-based ecotourism in the Kaghan, Swat and Chitral valleys. Eco-friendly guesthouses, youth hostels and camping sites should be developed at suitable new and existing locations.

4.5.8 Children's Parks

- Tourist facilities such as children's parks and play lands should be established in important tourist points in Swat, Kaghan, Galliat and Haripur.
- Wildlife parks should be established in different parts of KP.

4.5.9 World-Class Amusement Park

The possibility of establishing a world-class amusement park in KP should be explored. The park should be equipped with facilities that are not found in any other part of Pakistan. For this, some renowned international brand name company should be invited to Pakistan. One potential location to establish this amusement park is Galliat, since it is in close proximity to Murree, which is considered to be the most popular hill station in Pakistan, especially for tourists travelling in a family unit. The large traffic of domestic tourists (families with children) coming to Murree will be incentivized to visit that park. Government should facilitate the investor(s) and provide land for this project. TCKP should take the lead and develop a concept note which should be discussed at different forums to understand the concept. After the approval of concept, a detailed feasibility study should be developed.

4.6 Museums

A very important component of tourism infrastructure is museums, which preserve the history of civilizations. To develop tourism in KP, it is important to establish more museums to capture the rich archeological, historic and cultural heritage of KP in greater detail. For example, in Peshawar, there is one museum that focuses on Gandhara Civilization, but it is possible to establish more museums in the city. Similarly, new ethnological museums should be established at other identified locations in the province. An important recommendation in this regard is the revival of the Swat Museum. Revival of this museum will also have symbolic importance. It will send a signal to domestic and international tourists that the situation has returned to normal in Swat, which will help restore the tourist traffic.

Along with establishing new museums, it is also important to improve the level of service in museums. The museums should be made interactive through the use of information technology

(TV/computer screens, etc.), trained guides should be present and virtual tours of archeological sites and museums should be developed.

4.7 Environmental Protection

Tourism infrastructure development should be accomplished keeping in mind the protection of the natural environment. The common practice of deforestation in all the major tourist locations should be stopped and reforestation campaigns should be initiated. There should be a check on construction activities to ensure that no tampering of natural gorges, slopes, forests, etc. is occurring.

4.8 Developing Archives of Tourism Assets

4.8.1 Mapping Tourism Assets

It is recommended that a project for documenting the archeological, historic, cultural and scenic tourist attractions of KP be developed. Some efforts have already been initiated by the Directorate of Archeology & Museums in this regard. Along with the government's funds, the possibility of obtaining support from international organizations should also be explored.

4.8.2 Archiving Literature Available on KP

It is recommended to identify and collect available books, journals and other literature that have been written on KP, preserve them, develop their archives and translate them in Urdu and local languages to increase their readership.

4.8.3 Mapping Cultures and Traditions of KP

It is recommended to preserve the great treasures of culture, traditions, music, dances and folklores of KP by conducting a mapping exercise in all the districts of KP and organizing the information in the form of a structured database. This database can be made available to the world in the form of books, CDs and the Internet.

4.8.4 Mapping Arts and Crafts

It is recommended to develop a database of local arts and crafts. Some work has already been started by TCKP in this regard and a Human Cultural Center has been established in the Peshawar Museum. There is a need for the Center should be strengthened and a comprehensive database to be developed to complement the Center.

4.8.5 Coordinating with Educational Institutions and Cultural Organizations

It will be useful to develop linkages between TCKP and the colleges and universities of KP. Volunteers should be engaged from educational institutions to carry out the above-mentioned mapping and database development exercises. This will reduce the costs and expose the new generation to the tourism potential of the province. TCKP should coordinate and receive support from organizations like *Lok Virsa*, which have been established with the mandate of preserving local cultures and traditions.

- Information should be easily available to the tourists. Tourism Information Centers of TCKP and PTDC should be strengthened.
- TCKP should establish more Tourism Information Centers to increase its outreach.
- Facilities such as public washrooms, public call centers, eateries, etc. should be developed.

- Emergency help centers should be established to provide tourists with support, especially for adventure tourists.
- Camping sites should be developed for tourists who want to stay in a natural environment, or for budget travelers, along with reasonable security arrangements.

4.9 Human Resources Development

To achieve the objectives set in the KP Tourism Vision, it is important to develop a professional management workforce. This will require strengthening existing training institutions and establishing new institutions.

- A rapid assessment survey should be conducted to identify actual human resources development needs of the sector, so as to make the interventions more focused.
- The status of the PAITHOM should be revived and regular educational activities should be initiated. The possibility of mobilizing donor funds for its revival should be explored. After devolution, the management of the institute has been shifted to the KP Department of Tourism. It is recommended that the Department adopt a market-driven approach to ensure the effective use of the institute.
- Hazara University in Abbotabad offers a Master's Degree in tourism management. The Department of Tourism of KP should work to help Hazara University develop an affiliation with renowned international universities to provide tourism education.
- Tourism-related degrees/courses should also be started in other universities of KP. The KP Department of Tourism should coordinate with institutions like the University of Peshawar, Institute of Management Sciences (IMS) and Iqra University to establish tourism-related courses.
- Along with regular courses, short courses should also be designed for hotel management and other tourism sector stakeholders.
- Organizations such as the Adventure Foundation Pakistan, Alpine Club and Sustainable Tourism Foundation Pakistan should be involved in training staff for the tourism sector. The certificates of reputable private sector organizations should be recognized by the Department of Tourism.
- There should be a minimum criteria defined for working as a chef, porter, bearer, driver, etc., which should be based on qualifications based on education and experience.
- Tour guides and specialized trekking, fishing and nature guides must also be trained to promote adventure and ecotourism in the region.
- Jeep drivers should also be trained in tourist management skills and road safety.
- Tourism sector stakeholders should also be trained in the protection of the natural environment.

4.10 Access to Finance

4.10.1 Tailored Financial Products for Tourism

Following recommendations are proposed to improve access to finance to various subsectors of tourism:

- Priority should be assigned to tourism by the federal government by asking SBP to develop separate Prudential Regulations for this sector. This will show dedication and commitment on the part of government towards developing tourism and will also facilitate the flow of commercial funds to potential investors in tourism by having customized and relatively relaxed requirements for collateral, guarantees, documentation and cost of funds.
- The option for concessional credit should be considered for the tourism sector of Khyber Pakhtunkhwa. Special treatment for KP can be justified in considering the recent damage caused by crisis and/or floods in the province, and also due to the fact that three-fourth of the national tourism assets exist in KP.
- Special Program lending schemes should be designed for the tourism sector of KP. These schemes may be based on potential clusters, and different financial products may be launched for different clusters. For implementing this plan, it is important that the needs of the sector are clearly and accurately defined.

4.10.2 Investment Facilitation for Tourism Development

To facilitate the investor and to minimize the bureaucratic hurdles, it is proposed that KP establish an Investment Promotion Committee for Tourism (IPCT). The Committee should be headed by the Chief Secretary and should have representation from all ministries concerned. The Committee should discuss tourism-related issues that are relevant to different ministries and ensure quick decision-making to facilitate investors interested in tourism.

The Department of Tourism should provide a one-window facility to potential investors. The proposed Investor Facilitation wing in the organization should coordinate with the proposed sector development company for tourism at the federal level to identify potential investors. Those investors in turn should be provided with all the required information about potential investment opportunities and practical support during the project implementation phase. One mode of providing information could be the feasibility studies on potential projects which will be available with the Department of Tourism. For any inter-ministerial issues related to any particular investment option, the Department should refer to the IPCT to quickly resolve the issue.

4.10.3 International Development Funds for Tourism Promotion in KP

Another source of funding for the development of the tourism sector in KP is mobilizing international donors. This option is especially relevant for KP since the international community has an immediate interest in the province given the background of the current crisis situation in some parts of the province. Tourism promotion is a very helpful activity in counter-radicalization in the conflict affected areas. Funds may be mobilized from donors based on this rationale.

